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Further on Fourth ASEAN Summit in Singapore

Leaders Sign Joint Declaration

BK2801090292 Kuala Lumpur Voice of Malaysia in English 0800 GMT 28 Jan 92

[Text] ASEAN has vowed to expand both intra-ASEAN cooperation and dialogue with outside powers.

A joint declaration by ASEAN leaders after their two-day summit in Singapore said security was one area which is to be addressed in the light of the profound international and political changes that have occurred since the end of the cold war.

The heads of government of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand promised to expand intra-ASEAN discussions, already launched in informal seminars. Officials said this will be done within the regular meetings of the group, foreign ministers, and senior officials. To enhance this effort, the leaders said in their Singapore Declaration, that ASEAN should intensify its external dialogues in political and security matters by using the ASEAN post-ministerial conferences.

The ASEAN leaders said they would seek U.N. recognition of the group's 1976 Treaty of Amity and Cooperation in Southeast Asia which binds singnatories to resolve disputes peacefullly. They also welcomed the accession by all Southeast Asian states to the treaty.

The Singapore Declaration said ASEAN would work to implement the 1971 call for a Zone of Peace, Freedom, and Neutrality, ZOPFAN, and pursue efforts to keep nuclear weapons out of the region.

Declaration's Main Points Outlined

BK2801103192 Kuala Lumpur BERNAMA in English 1022 GMT 28 Jan 92

[Text] Singapore, Jan 28 (BERNAMA)—ASEAN countries are to adopt an outward-looking attitude to strengthen economic cooperation that would also contribute to promoting liberalisation of global trade. This was one of three principles set out in a framework agreement on enchancing ASEAN economic cooperation adopted by the ASEAN heads of government at their fourth summit which ended here today.

The second principle requires the six member countries—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—to abide by the principle of mutual benefit in implementing measures or initiatives aimed at enhancing ASEAN economic cooperation.

Member states are required, under the third principle, to participate in intra-ASEAN economic arrangements but it allows two or more states to proceed first if other members were not ready to implement the arrangement.

For cooperation in trade, member countries agreed to establish and participate in the ASEAN Free Trade Area (AFTA) within 15 years. A ministerial-level council would be set up to supervise, coordinate and review implementation of AFTA which was to be achieved through the Common Effective Preferential Tariff (CEPT) scheme, as the main mechanism.

The CEPT agreement, signed by the ASEAN economic ministers today, is aimed at reducing intra-ASEAN tariffs to between zero and five per cent by the year 2008. Initially, it would cover 15 product groups. Products not yet covered by the CEPT scheme would come under the ASEAN Preferential Trading Arrangement (PTA) or other mechanism to be agreed upon.

Member countries have also agreed to reduce or eliminate non-tariff barriers between and among each other for import and export of products agreed upon under existing arrangements or any arrangements arising out of the framework agreement. They have also agreed to explore further measures on border and non-border areas of cooperation to supplement and complement trade liberalisation.

To increase cooperation in industry, minerals and energy, the member states agreed to increase investments, industrial linkages and complementarity by adopting new and innovative measures as well as strengthening existing arrangements.

Enhancement of cooperation in the field of energy would include energy planning, exchange of information, technology transfer, research and development, manpower training and exploration, production and supply of energy resources.

In the area of finance and banking, member states would strengthen and develop further cooperation in the field of capital markets, as well as find new measures to increase cooperation besides encouraging and facilitating free movement of capital and other financial resources. This would include further liberalisation of the use of ASEAN currencies in trade and investment.

Member states agreed to strengthen regional cooperation in the development, production and promotion of agricultural products to ensure food security and also to enhance technical joint cooperation to better manage, conserve, develop and market forest resources.

As for cooperation in transportation and communications, they agreed to further enhance regional cooperation for providing safe, efficient and innovative transportation and communications infratructure networks. Member countries would continue to improve and develop intra-country post and telecommunications systems to provide cost effective, high quality and customer-oriented services.

The framework agreement said the ASEAN Secretariat would be responsible for monitoring the progress of any arrangements arising from the agreement while ASEAN economic ministers [are] meeting and its subsidiary bodies would review the progress of implementation and coordination of the elements contained in the agreement.

On private sector participation, it said the member countries, in recognition of the complementarity of trade and investment opportunities, would encourage, among others, cooperation and exchanges among the ASEAN private sectors and between ASEAN and non-ASEAN private sectors.

'Landmark' AFTA Plan Adopted

BK2801085692 Hong Kong AFP in English 0556 GMT 28 Jan 92

[By Leu Siew Ying]

[Text] Singapore, Jan 28 (AFP)—The Association of Southeast Asian Nations (ASEAN) on Tuesday adopted a landmark agreement to create an ASEAN Free Trade Area (AFTA) within 15 years for their competing economies.

Leaders of the six-member group, which had made little progress toward economic integration in its quarter-century history, approved the accord for their economic ministers' signature at the end of the two-day ASEAN summit.

They agreed on a schedule of Common Effective Preferential Tariffs (CEPT) aimed at slashing levies on all but agricultural goods to a maximum five percent in stages starting next January 1.

Business leaders welcomed the plan for Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, which have some 300 million people and a combined Gross National Product of 310 billion U.S. dollars.

But some urged faster tariff cuts among the ASEAN six.

"If it's going to take 15 years, we will lose the impetus and others will catch up with us," said Tom Haitsma, chairman of the Singapore International Chamber of Commerce.

ASEAN includes some of the world's most dynamic economies, but the group had been been bogged down in cooperation efforts by competition for commodity export markets and uneven levels of development.

Leaders of the association acknowledged, however, the time was ripe for concrete action if ASEAN was to continue to prosper with Europe and the Americas moving towards integration of their own markets.

Under the CEPT scheme, tariffs that are currently more than 20 percent will be cut to 20 percent within five to eight years. Those between 20 percent and five percent can be brought down to five percent.

All tariffs would be progressively slashed to between 0 to five percent over the subsequent seven years at a minimum rate of five percent per cut. A ministerial-level council will coordinate.

Fifteen product sectors were identified for accelerated tariff reduction, including vegetable oil, cement, chemicals, pharmaceuticals, fertilisers, plastics and rubber products.

Also on the list are leather products, pulp, textiles, ceramics and glass products, gems and jewellery, copper cathodes, electronics, and wood and rattan furniture.

Economic ministers, who agreed in October to a CEPT system covering manufactured and processed agricultural products, made a major addition here in including capital goods such as machinery that make other items.

But critics have said the AFTA was a watered down version of the original proposal put forth by Thailand that envisioned a 10-year timetable. The current scheme also excludes the key sectors of farm products and services.

In addition, the CEPT agreement allows members to stay out of tariff-lowering arrangements on certain products until they feel strong enough to open their markets—the so-called "Six Minus X" formula for participation.

ASEAN already has a poor track record on implementing such schemes, and its 1977 agreement to institute a system of Preferential Trading Arrangements (PTA) has had little impact.

The PTA, under which each ASEAN country give a discount on its tariffs for selected products, has a list of 16,000 items. Most of them, such as snow ploughs, are not actively traded.

The new plan adopted Tuesday was a laborious compromise between countries such as Thailand which want faster action and those like the Philippines and Indonesia which argued for more time to develop their industrial bases.

Rafidah Aziz, the Malaysian minister of international trade and industry, said ASEAN was simply being pragmatic in not insisting that all states participate right away for all items.

"It's no point pushing forward an idea that will not work simply because people have difficulties coming on board," she said, adding that "once we have developed the resilience, out goes protection and we compete openly."

The AFTA scheme was part of a larger framework agreement for economic cooperation signed by the heads of government which also committed ASEAN states to work towards reducing or eliminating non- tariff barriers.

They also agreed to encourage and facilitate free movement of capital and other financial resources including further liberalisation of the use of ASEAN currencies in trade and investment.

Indochina Reconstruction Aid Pledged

BK2801091092 Hong Kong AFP in English 0708 GMT 298 Jan 92

[Text] Singapore, Jan 28 (AFP)—The Association of Southeast Asian Nations (ASEAN) called Tuesday for the quick dispatch of the full U.N. peacekeeping force for Cambodia to keep the peace process there on track.

In a joint declaration at the end of their two-day summit, ASEAN leaders also vowed to play an active role in the reconstruction of Indochina following settlement of the 13-year Cambodian conflict.

They said the group would closely cooperate in efforts to implement the Paris peace treaty signed in October by the Vietnamese-backed government in Phnom Penh and the ASEAN-supported resistance.

The accord set up a United Nations Transitional Authority in Cambodia (UNTAC) to administer the country pending elections while leaving sovereignty embodied in a Supreme National Council (SNC).

A small advance contingent of U.N. troops is in place but fears have been expressed that the process could break down unless the full U.N. force, reportedly expected to be about 10,000 troops, arrived soon.

The ASEAN declaration supported the SNC in urging the dispatch of UNTAC "as early as possible in order to preserve the momentum of the peace process and to implement the gains realised by the signing of the Paris peace agreements."

"ASEAN calls on all parties in Cambodia to implement seriously the process of national reconciliation which is essential to a genuine and lasting peace in Cambodia," the statement said.

The leaders of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand also pledged to forge closer cooperative ties with their former communist adversaries in Indochina.

"ASEAN will play an active part in international programmes for the reconstruction of Vietnam, Laos and Cambodia," the declaration said.

Dunkel's GATT Compromise Accepted

BK2801091892 Hong Kong AFP in English 0704 GMT 28 Jan 92

[Text] Singapore, Jan 28 (AFP)—The Association of Southeast Asian Nations (ASEAN) Tuesday backed efforts to conclude the Uruguay Round of trade liberalisation negotiations on the basis of a compromise drafted last month.

ASEAN, grouping Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand, delivered the endorsement in a Singapore Declaration issued after a two-day meeting of its heads of government here.

Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade (GATT), proposed a compromise December 20 to bridge U.S. and European positions on farm subsidies that had stalled the trade talks.

ASEAN urged the world's major trading countries to settle their differences on agriculture and other areas and use Dunkel's compromise to work towards an early and successful conclusion of the negotiations started in 1986.

The declaration said ASEAN "shall continue to uphold the principles of free and open trade embodied in the General Agreement on Tariffs and Trade and work towards maintaining and strengthening an open multilateral trading system."

It said ASEAN would try "to ensure that the Uruguay Round addresses the key concerns of the ASEAN economies, and adopt a pragmatic and realistic approach" in using the Dunkel compromise as the basis for negotiations.

The group reiterated support for the Asia-Pacific Economic Cooperation (APEC) forum but also defended the usefulness of Malaysia's proposal for an East Asia Economic Caucus (EAEC) which the United States opposes as exclusionary.

ASEAN agreed to follow up a landmark agreement to set up an ASEAN Free Trade Area within 15 years with a call to reduce or eliminate non-tariff barriers to trade among its six members.

It said it would explore non-tariff and non-border areas of cooperation to complement tariff liberalisation with a view to making recommendations to the next ASEAN summit in three years.

There was also a call for increased cooperation and exchanges among ASEAN private sector and the consideration of appropriate policies for greater intra-ASEAN investments.

ASEAN said it would make joint efforts to strengthen trade promotion and negotiations on its agricultural products.

The grouping also pledged to strengthen cooperation in tourism promotion, in energy security, conservation and the search for alternative fuels and in science and technology transfer and human resources development.

Environmental Protection Promoted

BK2801113092 Kuala Lumpur BERNAMA in English 0944 GMT 27 Jan 92

[Text] Singapore, Jan 28 (OANA-BERNAMA)—ASEAN countries have agreed to continue to play an active part in protecting the environment by continuing to co-operate in promoting the principle of sustainable development and integrating it into all aspects of development.

Member countries should continue to enhance environmental co-operation, particularly in issues of transboundary pollution, natural disasters, forest fires and in addressing the anti-tropical timber campaign, according to the Singapore Declaration adopted by the ASEAN heads of government at the end of their two-day fourth summit meeting here Tuesday.

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Indonesia, Malaysia, Thailand, the Philippines and Singapore.

"The developed countries should commit themselves to assist developing countries by providing them new and additional financial resources as well as the transfer of, and access to, environmentally sound technology on concessional and preferential terms," it said.

The developed countries should also help to maintain an international environment supportive of economic growth and development, it added.

ASEAN looked forward to seeing these commitments reflected in the outcome of the United Nations Conference on Environment and Development (UNCED) in Rio De Janeiro, Brazil, later this year.

The declaration recognised the important role played by non-governmental organisations (NGOS) in social development and said ASEAN should encourage the exchange of information among them and help expand their participation in intra-ASEAN functional co-operation.

It also said the grouping should intensify co-operation in overcoming the serious problem of drug abuse and trafficking at the national, regional and international levels and it called for a co-ordinated effort in curbing AIDS.

This should be undertaken by exchanging information, particularly in the formulation and implementation of policies and programmes against the deadly disease, it added.

EAEC Initiative Endorsed

BK2801112592 Kuala Lumpur BERNAMA in English 1042 GMT 28 Jan 92

[Text] Singapore, Jan 28 (BERNAMA)—The six member countries of ASEAN today endorsed the Malaysia-initiated East Asia Economic Caucus (EAEC). The endorsement was reflected in the Singapore Declaration signed by the leaders of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand at the end of their two-day summit here.

The EAEC is to be a loose consultative forum for countries in East Asia, including Japan, South Korea and Taiwan, to speak out with one voice against trade restrictions and protectionism. The EAEC was opposed by the United States on the ground that it did not want the world to be divided into trading blocs. But Malaysian Prime Minister Datuk Sri Dr. Mahathir Mohamed asked, in his address at the opening of the Fourth ASEAN Summit yesterday, why East Asian countries could not be allowed to talk to each other when the developed countries could.

The nine-page communique, the shortest ever issued by an ASEAN summit, said the grouping recognised the importance of strengthening and/or establishing cooperation with other countries, regional/multilateral economic organizations, as well as Asia- Pacific Economic Cooperation (APEC) and an East Asia Economic Caucus (EAEC).

"With respect to an EAEC, ASEAN recognises that consultations on issues of common concern among East Asian economies, as and when the need arises, could contribute to expanding cooperation among the region's economies, and the promotion of an open and free global trading system," he added.

Speaking at a press conference at the end of the summit, Prime Minister Goh Chok Tong of Singapore said the ASEAN leaders had discussed the EAEC during their informal talks and their respective position was as stated in the declaration.

Asked what Japan's response would be, he said he would suggest that Japan study the declaration and respond appropriately. Japan is said to be adopting a wait-and-see attitude over the EAEC proposal, and is said to be under pressure from Washington not to be a party to the EAEC.

Malaysian officials said the EAEC was also adopted by the summit leaders as an agenda in the programme of action for the enhancement of ASEAN cooperation. The programme of action is an internal ASEAN document with guidelines and directives for the grouping till the next summit. The ASEAN leaders said in the declaration that they will now meet every three years.

Under the directive on the EAEC, the joint consultative meeting (JCM) is mandated to complete the elaboration of the EAEC, and to recommend a plan of action with a view to accomplishing its realisation. The JCM comprises the senior officials, the senior economic officials and the director-general of ASEAN.

Alatas: Indonesia Satisfied With Summit Results

BK2801105492 Jakarta ANTARA in English 1011 GMT 28 Jan 92

[Text] Singapore, Jan.28 (OANA/ANTARA)—Foreign Affairs Minister Ali Alatas said on Monday that Indonesia was satisfied with the results of the fourth summit meeting of ASEAN, as the meeting had produced basic decisions.

Minister Alatas was speaking to the press here prior to the signing of three main documents by the heads of state/government of the six member states of the Association of South East Asian Nations, at the end of their two-day summit since Monday.

The three main documents, hatched in the two-day deliberations, are "Singapore Declaration of 1992," "Framework Agreement on Enhancement of ASEAN Economic Cooperation," and "Agreement on CEPT for AFTA."

Commenting on the results of the summit on cooperation on politics and security, Alatas asserted that the decisions agreed upon were all so encouraging that they would surely become a strong foundation for ASEAN to increase cooperation amongst its members in the future.

According to Alatas, the fourth summit meeting had proceeded well within an amicable atmosphere.

"There was no problem at the summit level, and there hadn't been parties who brought forward issues which dramatically strayed far from what the ministers had recommended beforehand," Alatas added.

Endorsement of the summit results was carried out following the six heads of state/government held a limited and closed meeting on Monday afternoon and Monday morning.

Basically the agreement reached in the fields of politics and security during the summit consists of two parts.

Firstly, the summit agrees to reaffirm that all decisions regarding the position and activities of ASEAN will be based on the concept of national resilience towards regional resilience.

Secondly, Alatas said, the summit agrees that the existing cooperation lines in the field of security will be maintained or even strengthened.

In connection with this Alatas mentioned cooperation in certain military aspects which has since the first summit in Bali in 1976 carried out upon bilateral and trilateral basis.

"This pattern will be maintained and will not be turned into cooperation under the entire ASEAN framework," he stated.

Alatas added the agreement to maintain the pattern should not be understood that ASEAN remained with its old position without being aware of the fast changes in the current world.

He said the ASEAN summit fully paid attention to the world changes and therefore the summit meeting agreed to step up dialogues in the framework of increasing intra-ASEAN Cooperation in the field of security through the existing forums.

The exisiting ASEAN dialogues in the field of security are senior-official and ministerial meetings.

In the summit, there was a proposal for the establishment of a new consultative committee among the ASEAN countries to handle security affairs.

But the participants finally agreed that the committee was not needed, or at least not yet, because security issues could be accommodated in already existing forums.

A new accord that was achieved was to step up dialogue on security affairs with countries outside ASEAN, particularly with the dialogue partners of the association, namely Japan, Canada, the European Community, New Zealand, South Korea, the U.S. and Australia.

The main forum for the dialogue will be the annual post-ministerial conference (PMC) dialogues held between ASEAN foreign ministers and the dialogue partners separately.

On the 1976 Treaty of Amity and Cooperation (TAC) in Southeast Asia, the summit agreed to enhance its implementation by encouraging other Southeast Asian countries to join it, Alatas said.

At present, two non-member countries of ASEAN have already expressed their willingness to take part in TAC, namely Vietnam and Laos.

Indonesian Foreign Minister Ali Alatas said after the summit that ASEAN ministers might hold a meeting with the two countries' leaders to discuss their intention.

TAC, he noted, would be also included in some of the UN's documents and for this purpose all Indonesian permanent representatives at the UN in New York would be instructed to further bring out the TAC at international stage.

The 4th ASEAN summit also concluded that ASEAN should increase its cooperation with Asia and Pacific countries, and be more active in supporting the UN's role and position as an universal organization for promoting a new world order, in which created a more peaceful, free, and fair condition.

"ASEAN's views on politics and security, which were approved by ASEAN summits up to now, have been always in line with Indonesia's views," said Alatas.

Thai Prime Minister Anan Lauds Summit's Success

BK2901074792 Bangkok Radio Thailand Network in English 0000 GMT 29 Jan 92

["Excerpt" of Prime Minister Anan Panyarachun's closing statement at the 4th ASEAN Summit in Singapore on 28 January—recorded]

[Text] The many far-reaching decisions we have taken at this meeting have gone beyond our initial expectations. What we have achieved here during the past two days is more than just building upon our past successes. We have enlarged the vision of what ASEAN is all about.

The Singapore declaration and the framework agreement on enhancing ASEAN economic cooperation that we have signed clearly spell out ASEAN's agenda for the future. What it shows is that we are prepared and ready to move with the new trends that are shaping the emerging new world and regional order. It is a new chapter for ASEAN and a new era for Southeast Asia. We must strive to maintain the momentum of economic dynamism in our region, which has in recent years outperformed all other regions. And the way to do it is to open up our markets gradually to one another and to allow a free flow of trade and investment.

With step-by-step approach towards economic integration, we will make ASEAN markets more meaningful and more attractive for investment. Eventually, ASEAN industries will become more efficient, more productive, and more competitive.

The emphasis on the pooling of our competitive advantages and the reliance on market forces and the promotion of competitive cooperation are the right approach toward intra-ASEAN economic cooperation, which I believe will bring about the realization of the ASEAN Free Trade Area perhaps even sooner that the targeted time frame.

On our part, when I return to Bangkok tomorrow, I shall take the necessary steps to bring down our tariffs so that the maximum rates for all manufactured products coming from ASEAN shall be no more than 30 percent by 1 January 1993. And I shall engage in consultations with interested parties with a view to further reducing those tariffs to a maximum of 20 percent by 1 January 1994.

Offers To Cut Import Tariffs

BK2901021192 Bangkok THE NATION in English 29 Jan 92 p A1, A2

[By Oranut Anusaksathian]

[Text] Singapore—Thailand has unilaterally offered to cut import tariffs on all manufactured goods originating from ASEAN to not more than 30 percent by Jan 1, 1993, and will deepen the cut to 20 percent by Jan 1 of the following year, the Thai premier announced at the closing of the Fourth Summit Meeting of ASEAN heads of government yesterday.

Prime Minister Anan Panyarachun's announcement yesterday marked the first, yet significant, step Thailand will undertake to accelerate the pace of trade liberalization in ASEAN, which should led to the creation of an ASEAN Free Trade Area (AFTA) within 15 years.

Under the free trade arrangement, the effective tariff rates ASEAN members charge each other on all types of products except agriculture should drop to 0-5 percent by the year 2008.

The import tax reduction on all manufactured goods from ASEAN countries by January next year will in effect bring down the country's average tariff levied on ASEAN goods to a level that is on a par with other member countries, currently averaging not more than 20 percent.

Thailand and the Philippines are the only two countries in the grouping whose average tariffs exceed 30 percent. Thailand's current average is 34.8 percent and the Philippines, 32 percent.

The Thai proposal on AFTA, adopted by the ASEAN leaders yesterday, was embodied in two landmark agreements: the Framework Agreement on Economic Cooperation and the Agreement on the Common Effective Preferential Tariff (CEPT) for AFTA.

Both agreements, together with the Singapore Declaration, were signed by the six leaders at the closing ceremony at the Shangri-La Hotel in the island republic.

The signing of the three historic documents was the first time in the 25-year history of ASEAN that the six member countries managed to come up with a substantive agreement to shape future economic cooperation. ASEAN groups together Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

In addition to the unilateral offer announced yesterday, Thailand will likely suggest that the tariffs on eight of the 15 groups of products designated for accelerated tariff reductions should be cut to 0-5 percent "as soon as possible", according to a source.

Most of them were proposed by Thailand. These include fertilizer, cement, pulp, leather products, wood and rattan products, gems and jewelery. The other two items, rubber products and copper cathodes, were initiated by Malaysia and the Philippines.

The premier declined comment yesterday on the specific groups of products Thailand would offer to free up in the initial years. He noted that the Finance, Commerce and Industry ministries have yet to discuss the product list among themselves and with their ASEAN counterparts.

"We shall consult closely with other ASEAN member countries in order to put into effect the reduction of tariff rates for AFTA as soon as possible," the premier said in the statement.

Other sectors that are included in the CEPT scheme for accelerated tariff reductions are vegetable oils, chemicals, pharmaceuticals, plastics, textiles, ceramic and glass products and electronics.

For these groups, the ASEAN leaders agreed that free trade should be achieved in a period shorter than 15 years.

However, officials agreed that the implementation of AFTA would not be without thorny issues. The Thai private sector, for instance, would have to make significant adjustments to cope with competing products from other ASEAN countries although they are granted a "transitional period", from now until 2008 to adjust.

Because of the current high tariffs Thailand has maintained, Prime Minister Anan said at the press conference that some domestic industries would have to undergo painful and difficult adjustments.

If they could not adjust within the period of 10-15 years before AFTA is accomplished, he said the government then might have to consider whether it was still justified to continue shielding them from competition at the expense of consumers nationwide.

According to officials, vegetable oils, certain inorganic chemicals, most generic drugs, glass and ceramic products and electronics would still be sensitive for trade liberalization at this stage for they have both political and economic implications for subsequent governments.

Vegetable oils will be the most politically sensitive. Oil palm planters in the South demand government action every time the price for the commodity falls. Currently, Thailand restricts the import of palm oil as well as other oil seeds.

Asked whether the regional free-trade arrangement would be exploited by politicians seeking popularity from vested interest groupss during the election campaign and whether this might abort his attempt to set the momentum for AFTA, the premier said: "It would be natural (for the politicians to do so), but while I am in office, I will certainly have to explain the scheme to all the sectors involved."

Singapore Premier Notes Consensus for Cooperation

BK2801113492 Kuala Lumpur BERNAMA in English 1040 GMT 28 Jan 92

[Text] Singapore, Jan 28 (BERNAMA)—Singapore Prime Minister Goh Chok Tong said today the spirit of the Singapore Declaration should be practised as it sets out new directions for ASEAN.

"The Singapore Declaration sets a new agenda for ASEAN. We now have to carry out both the letter and the spirit of the declaration and if all goes well, by the time of the next summit, ASEAN will have made as much progress as it has since the last meeting in Manila in 1987", he said.

Closing the two-day fourth ASEAN summit here, Encik [Mr.] Goh said the signing of the framework agreement on enhancing ASEAN economic co-operation and the agreement for a Common Effective Preferential Tariff (CEPT) scheme today showed that there was a strong consensus within ASEAN to strengthen economic cooperation.

It also reflected our shared belief that the best way forward for ASEAN countries was through economic liberalisation and freer competition, he added.

Encik Goh said that the six heads of government also agreed that ASEAN needed to break new ground in security cooperation.

Resists EC's Appeal on Burma

BK2801162892 Hong Kong AFP in English 1124 GMT 28 Jan 92

[Text] Singapore, Jan 28 (AFP)—Singapore Prime Minister Goh Chok Tong reacted cooly Tuesday to a European Community appeal to Southeast Asian countries for help in pressing for the restoration of human rights in Burma.

Goh told a press conference after the Association of Southeast Asian Nations summit that ASEAN's way was not to interfere in the internal affairs of other countries but just to make its views known.

"This is a summit not to discuss Burma," he said. "Our position is not to change the world or our neighbours' politics."

The EC sent a message to ASEAN on Friday urging it to take up the human rights issue with the Burmese military junta that brutally cracked down on the country's democracy movement and ignored the results of 1990 elections.

The community specifically asked ASEAN to use its influence and appeal to the military regime on humanitarian grounds to allow family visits for detained opposition leader and Nobel Peace Prize winner Aung San Suu Kyi.

ASEAN members, including those which have criticised the military repression in Burma, have resisted calls from the West for a hard line and sanctions against Rangoon, preferring an approach of "constructive engagement."

Goh expressed the hope that one day, when Burma's economy was compatible with those of the ASEAN states, it would join Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand in the association. Asked if this could happen while the junta was still in place, he responded, "The economy has to be compatible first."

Singaporean Ministers View Creation of AFTA

BK2801103492 Jakarta ANTARA in English 0905 GMT 28 Jan 92

[Text] Singapore, Jan. 28 (OANA/ANTARA)—Indonesia says acceleration of the creation of ASEAN Free Trade Area (AFTA) must be done according to the international and ASEAN countries' economic development, Coordinating Minister for Economic, Financial and Industrial Affairs Radius Prawiro said here on Tuesday.

As regards the creation of AFTA, therefore, ASEAN will not stick rigidly to a 15-year period as has been agreed, he said adding that "ASEAN must be resolved not to regress after it has stepped forward."

Radius made the statement in his explanation to reporters about the ASEAN summit along with State Secretary/Minister Murdiono and Foreign Minister Ali Alatas.

He stated it was not correct to decide now that AFTA must be created in less than the agreed 15 years, he said.

This problem is raised because there are members who propose for a quicker implementation of the agreement.

"We must go step by step but with resolution. Based on calculation 15 years are enough but if the international and regional economic development makes it possible to go faster the implementation of the agreement, of course, will also be sped up," he said.

Citing an example he said that if the world economic growth were high the AFTA might be materialized within 12 years. The agreement will take effect on January 1, 1993.

He said in the first five years import tariffs would be reduced up to 20 per cent and in the next seven years reduction was expected to reach between zero and five per cent so that it would materialize within 12 years.

He said that the agreement had actually been accelerated because in the early stages of discussions the realization of the agreement was not 15 but 18 years.

Radius said a special council with mininsterial-level members would be formed to monitor the implementation of the common effective preferential tariff (CEPT) towards the ASEAN free trade area.

Singapore President Warns ASEAN of Complacency

BK2801100792 Singapore THE STRAITS TIMES in English 28 Jan 92 p 22

[Text] ASEAN must not be complacent with its past successes but must work together to set directions in political and economic cooperation, President Wee Kim Wee said last night. By doing so, the organisation would also help define the agenda of the Asia-Pacific into the 21st century, he added.

In a state banquet to honour the visiting ASEAN leaders, he noted that the Fourth ASEAN Summit was an opportunity to re-affirm the values that had stood the organisation in good stead over the past 25 years. These values—regional resilience through each nation being robustly independent and unity through consensus—would also see ASEAN through the uncertainties of the future.

In a short speech and toast at the Shangri-La Hotel's Island Ballroom, President Wee noted that ASEAN had come a long way since it was formed 25 years ago amidst the cold war and the Vietnam war. It had since emerged as a strong and vibrant organisation with generally healthy economies, and was now entering a new phase in good shape.

"This is, however, not a time for complacency," he cautioned. "The world is changing. We will not escape the effects of these changes. What sort of world our children live in will depend on how we manage these changes.

"A collective will to settle disputes peacefully could emerge and lead to a safer world. Or, there could be a return to the law of the jungle."

On the economic front, countries could either become more cooperative and work together to overcome weaknesses in global financial and economic systems, or retract into protectionism and develop adversarial relationships.

About 400 guests, including Cabinet ministers, MP's, senior civil servants and prominent businessmen, joined President Wee in a toast to the continued good health of the ASEAN leaders, the well-being and prosperity of ASEAN, friendship among its peoples and the summit's success.

In a return toast on behalf of the ASEAN leaders, Thai Prime Minister Anan Panyarachun also noted how ASEAN had grown from its early shaky days. Noting that the documents the leaders would be signing today were of great importance and significance to the future of ASEAN, he said:

"Conscientiously, we are turning a new page in the annals of ASEAN history. Consciously, we know where we are going. But more important, we know how to get there and by what means and at what time."

This, he added, was a reflection of ASEAN solidarity, cohesiveness and spirit of compromise and cooperation.

Malaysian Premier Addresses Post-Summit Briefing

Foresees EAEC Within Five Years

BK2901021792 Bangkok THE NATION in English 29 Jan 92 p A1

[By Kunlachada Chaiphiphat]

[Text] Malaysian Prime Minister Mahathir Mohamad said yesterday his controversial proposal for an East Asian Economic Caucus (EAEC) could possibly be translated into reality in less than five years.

Mahathir also said he hoped he would get a more positive response from Japan and was also looking forward to more understanding from the United States which has strongly opposed the caucus.

Speaking at a press conference after the end of the two-day Fourth ASEAN Summit Meeting here, Mahathir said there was progress in discussions about the EAEC as sall his ASEAN counterparts already had accepted the concept and a Malaysian proposal on steps to bring it about.

Though the measures to be taken in order to materialize the concept were not included in the Singapore Declaration signed by six ASEAN heads of government yesterday, it was agreed at the ministerial-level talks here that the concept should be further studied by senior ASEAN political and economic officials.

"The EAEC in the joint declaration is not relevant. What is relevant is that all ASEAN leaders have accepted EAEC and accept the Malaysian plan on the steps to be taken in order to materialize the concept," Mahathir said.

The joint declaration mentioned that ASEAN recognized that consultation on issues of common concern among East ASEAN economies, as an when the need arises, could contribute to expanding cooperation among the region's economies, and the promotion of an open and free global trading system.

Mahathir said he hoped that by the time ASEAN foreign ministers and economic ministers have their meetings, more substantial details regarding the objective of creating the caucus, potential membership, suitable structure and activities that would ensure the maintenance of world's free trading system, would come up.

ASEAN foreign ministers will meet in Manila in June while their economic counterparts will meet later in the year.

Mahathir also ruled out the possibility that the caucus would be under the umbrella of the existing Asia Pacific Economic Co-operation (APEC) body as proposed by Indonesia but said it could extend co-operation with APEC. APEC included ASEAN member states and their major trading partners—Japan, South Korean and the United States—while the EAEC would include ASEAN members, China, Japan, South Korea, Hong Kong, Taiwan and Vietnam.

Indonesian Foreign Minister Ali Alatas said a consultative forum should be formed out of the existing organization, similar to the Cairns Group of 14 farm exporting nations that existed within the Uruguay Round of multilateral trade talks under GATT.

Asked about the United States' participation in the caucus, Mahathir said the potential membership would depend on the definition of the caucus but it initially would cover only East Asian nations.

"It is very difficult to define the United States as an East Asian nation," Mahathir responded.

He also rapped U.S. opposition to his proposal to form an East Asian grouping. "There should be no restriction for us to call ourselves an East Asian nation. I believe that countries have the right to form groups on their own," he said.

The Malaysian prime minister also dismissed concerns that having Japan in such a caucus would engage Japan in a trade rift with the U.S. He said having Japan in the caucus would not affect its relations with the U.S. as the problem between the two nations already existed.

Mahathir said the best way for the U.S. to solve the problem with Japan was not to oppose Japan's becoming an EAEC member, but to make its economy as competitive as Japan's.

He pointed out that Kuala Lumpur had no intention of causing any problem for Japan but as the concept became clearer, he hoped Japan would respond more to the caucus and hoped to see "a little bit more understanding on part of the U.S."

Mahathir also denied that Indonesia was opposed to the creation of the EAEC. He said Indonesia would like to see clarification of the EAEC with which Malaysia agreed.

He said he did not know how long the study on the EAEC would take but he hoped it could take shape in less than five years.

"But what can be done, we should do it early. Obviously we have to work hard on it and I hope it could be less than five years," he said.

Rules Out U.S. Military Presence

BK2801150892 Hong Kong AFP in English 1331 GMT 28 Jan 92

[Text] Singapore, Jan 28 (AFP)—Malaysian Prime Minister Mahathir Mohamad on Tuesday ruled out any military role for Japan in Southeast Asia or a continued substantial U.S. military presence in the region following the end of the cold war.

Mahathir said Japan should take part in U.N. peacekeeping efforts like that being mounted in Cambodia under the Paris Peace Agreement signed in October.

"But Japan on its own should not get involved in any military role. We do not want to see any military grouping where Japan is involved," he said.

Mahathir, speaking at a news conference at the end of a two-day Association of Southeast Asian Nations (ASEAN) summit here, said he saw no short- or medium-term security threat to the region.

"There is therefore no need for a substantial U.S. military presence, at least not huge ships with nuclear capability," he said.

Mahathir said that any form of military cooperation within the six-member ASEAN should be bilateral, adding: "ASEAN as such should not be a military grouping."

The ASEAN heads of governments from Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand agreed to expand dialogue on security during their summit.

The talks on security will take place within a Post Ministerial Conference (PMC) grouping the six ASEAN states with the United States, Canada, the European Community, Japan, South Korea, Australia and New Zealand.

Mahathir said security discussions at the PMC would be of a general nature. "We are not asking anyone to become policemen (in the region)," he said.

Mahathir said he saw "no problem" with Singapore's offer to host a limited U.S. military presence with the impending closure of America's Subic Bay naval base in the Philippines at the end of this year.

"We would be concerned if you have a Subic kind of base in Singapore," he said.

Singapore Prime Minister Goh Chok Tong said at a separate news conference that his government wanted to limit U.S. Navy ship-repair visits to one vessel at a time to avoid social or political problems.

Responding to questions, Mahathir said that his proposal for an East Asian Economic Caucus (EAEC) was not intended to drive a wedge between the United States and Japan.

"The wedge is already there between the U.S. and Japan. The EAEC is not going to make much of a difference," he said.

Washington has vigorously opposed the EAEC. U.S. President George Bush said during a visit here earlier this month that he feared the EAEC might become a trading bloc.

Mahathir, alluding to U.S. problems with Japan over trade, said the United States could overcome its difficulties only by becoming "as competitive as Japan," adding, "or maybe Japan should get less efficient."

Philippine Official Hails Moves Toward AFTA

BK2801050792 Kuala Lumpur BERNAMA in English 0409 GMT 28 Jan 92

[Text] Singapore, Jan 28 (OANA-BERNAMA)—The common effective preferential tariff (CEPT) scheme towards establishing an ASEAN free trade area (AFTA) in 15 years or earlier is a manifestation of the enhanced economic cooperation in ASEAN, Philippine Secretary of Trade and Industry Peter Garrucho Jr. said here Monday.

Crystalisation of the scheme, to take effect from Jan 1, 1993, would put an end to criticism that the regional grouping was "all talk and no action," he added.

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Indonesia, Malaysia, the Philippines, Thailand, and Singapore.

CEPT and AFTA would be embodied in the Philippines-initiated framework agreement on enhancing ASEAN economic cooperation expected to be endorsed by the ASEAN heads of government on the final day of their two-day fourth summit here Tuesday.

"With the declaration of the framework agreement, it means that we will be moving at a quicker pace," he told BERNAMA.

For a start, CEPT would bring about lower tariffs and this would translate into "a better deal for consumers," he said.

Goods under the scheme would cost less and producers of goods outside the scheme would be encouraged to price their products more competitively, he added.

Garrucho, formerly a professor at the Asian Institute of Management in Manila, said the CEPT for AFTA initiative would give ASEAN producers and exporters an expanded market of about 320 million consumers.

Although existing intra-ASEAN trade was relatively small compared with ASEAN's trade with countries outside the grouping, rising disposable incomes in the region meant a larger and more prosperous market in time to come, he added.

The initiative would not just benefit indigenous producers in ASEAN but also multinational companies which relocate their operations to the region.

Garrucho said it would not be right to say that introduction of CEPT would make ASEAN countries less dependent on traditional trading partners like the United States, Japan, and the European Community.

Rather, it would mean having more trading opportunities from a diversity of markets, he added.

Agreement Reached on Start of '93 Asian Games

SK2801125892 Seoul YONHAP in English 0653 GMT 28 Jan 92

[Text] Bangkok, Jan. 27 (YONHAP)—Eight Asian countries, including South and North Korea, have agreed to inaugurate the East Asia games in Shanghai, China, March 9-18, 1993, according to Kim Chong-yul, chairman of the South Korean National Olympic Committee.

The six other nations are China, Japan, Taiwan, Hong Kong, Macao and Mongolia.

Kim told YONHAP NEWS AGENCY on Tuesday that the eight nations reached agreement at a coordination committee meeting Sunday and Monday [26, 27 January] in Shanghai to hold the first games in 12 events, including track and field, swimming, soccer (men), basketball, badminton, gymnastics, weightlifting and boxing (men).

Preliminary entries for the games will be received until Jan. 1993 and final entries until April 9. Officials have decided to meet again in Shanghai in September to work out details of the games, Kim said.

Led by such strong sporting countries in the region as China, Japan and Korea, the East Asia games are expected to become a prestigious sporting event in Asia, along with the Association of Southeast Nations (ASEAN) Games and the Gulf Games, some sports analysts said.

Japan

Minister Hails Bush Plan for Weapons Reduction

OW2901042592 Tokyo KYODO in English 0401 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Foreign Minister Michio Watanabe on Wednesday hailed U.S. President George Bush's plan to reduce strategic nuclear weapons, saying it is a "brave" measure.

Watanabe said in a statement that Bush's policy on arms reduction made in his State of the Union message to Congress will contribute to peace and stability in the world and to establishing a new world order.

He said he strongly supports the decision as a "brave" measure for nuclear disarmament.

In Washington on Tuesday, the U.S. President hailed the death of communism and proposed a fresh round of reductions in strategic nuclear weapons and a 50-billion-dollar cut in defense spending over the next five years.

The nuclear weapon reduction plan features a proposal to turn land-based, multiple-warhead ballistic missiles into single-warhead missiles, slash the number of warheads deployed on Trident submarines by one-third and convert most of the U.S. strategic bombers to conventional use.

Bush is expected to discuss the proposal with Russian President Boris Yeltsin this weekend.

Watanabe said in the statement that he hopes leaders of Russia will swiftly and positively cope with Bush's proposal and that they will carry out unitary and strict management of nuclear weapons in the former Soviet Union and fulfill the Strategic Arms Reduction Treaty (START).

Businesses Welcome Bush's Defense Outlay Cuts

OW2901111792 Tokyo KYODO in English 1106 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Japanese business leaders Wednesday welcomed U.S. President George Bush's proposal to reduce strategic nuclear weapons and slash defense outlays.

Gaishi Hiraiwa, chairman of the powerful Federation of Economic Organizations (Keidanren), said the Bush proposal "reflects the extraordinary resolution of the United States to realize world peace."

The proposal was included in Bush's State of the Union message delivered Tuesday to Congress.

Hiraiwa urged the Japanese Government to implement measures for an early recovery of the domestic economy to help promote global economic expansion.

Rokuro Ishikawa, president of the Japan Chamber of Commerce and Industry, called Bush's decision "a wise choice" for the reactivation of the U.S. economy and restoration of its competitive power.

Takeshi Nagano, chairman of the Japan Federation of Employers' Associations (Nikkeiren), expressed hope the President's tax cut offer will help trim the U.S. budget deficit and pave the way for economic reconstruction.

Speaker's Remarks Should Not Be 'Major Issue'

OW2901112592 Tokyo KYODO in English 1115 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—The top government spokesman said Wednesday that controversial remarks made by House of Representatives speaker Yoshio Sakurauchi should not be a major issue in Japan-U.S. relations.

Chief Cabinet Secretary Koichi Kato said at a regularly scheduled news conference that he does not believe U.S. President George Bush intended to turn Sakurauchi's comment into a major bilateral issue.

Kato referred to Bush's indirect swipe at Sakurauchi in his State of the Union message Tuesday.

"People are worried, there has been talk of decline. Someone even said our workers are lazy and uninspired," Bush said in a passage of the speech aimed at lifting American self-confidence.

"Moods come and go, but greatness endures," Bush said.

Sakurauchi recently said in public that American workers were lazy and illiterate.

Kato said Bush made the reference to inspire the American people to overcome their economic difficulties.

"House speaker Sakurauchi has said that his statement was wrong. This should not be turned into a major problem," between the two countries, Kato said.

Bush "showed determination to unify the American people so that they may conquer their economic problems. I hope that the president's initiative will be successful, and pay him respects for his interpretation" of Sakurauchi's comment, Kato said.

Ministry on U.S. Budget for Economic Recovery

OW2901131592 Tokyo KYODO in English 1302 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—The Finance Ministry welcomed Wednesday the 1993 U.S. budget program sent to Congress by President George Bush as constructive for economic recovery and sound growth of the world economy.

Ministry officials said the budget aims mainly to achieve two things—a reduction of the budget deficit and the recovery of the domestic economy.

The officials said the budget is a followup to an agreement reached at the Japan-U.S. summit in Tokyo earlier this month calling for bilateral cooperation to bring about global economic growth.

Referring to a growth-oriented Japanese budget already compiled by the government and a cut in the official discount rate by the Bank of Japan in late December, the officials said the ministry has no plan to implement additional measures to prop up the domestic economy.

Politician Mitsuzuka Leaves for U.S. 26 Jan

OW2601062592 Tokyo KYODO in English 0609 GMT 26 Jan 92

[Text] Tokyo, Jan. 26 KYODO—Former Japanese Foreign Minister Hiroshi Mitsuzuka left Sunday for the United States to meet U.N. Secretary General Butrus Butrus Ghali in New York and U.S. political leaders in Washington.

Mitsuzuka, a former chairman of the LDP [Liberal Democratic Party] Policy Affairs Research Council, is visiting the U.S. at the invitation of the Japan Society in New York.

Mitsuzuka will talk with Ghali about future Japanese contributions to U.N. activities, including peacekeeping operations, aides said.

In Washington, Mitsuzuka will meet U.S. Vice President Dan Quayle, Texas Senator Lloyd Bentsen, House Majority Leader Richard Gephardt and other U.S. legislators to discuss Japan-U.S. political and trade relations. He will also speak at Georgetown University.

Mitsuzuka, who also previously served as minister of international trade and industry, will return home on Friday.

Ishikawa Says 'Kenbei' Concept Misunderstood

OW2501134192 Tokyo KYODO in English 0620 GMT 25 Jan 92

[Text] Tokyo, Jan. 25 (KYODO)—To believe some Japanese social critics and U.S. journalists, the Japanese concept of "kenbei" is the latest indication that the U.S.-Japan relationship may be on the rocks.

Youngish Japanese writers have leaped onto the "kenbei" bandwagon during the past year, professing with every chance their disdain for a descendant U.S., while foreign scribes have dutifully noted every gripe and complaint as though it constituted a major political or social movement.

A U.S. news magazine recently went so far as to call "kenbei" a "nascent sense of contempt for America."

But Yoshimi Ishikawa, who originally coined the term, insists his idea is misunderstood and sees no evidence the fundamental relationship between Japan and the United States is in danger.

Further, to remedy "kenbei," Ishikawa, who worked in California with his brother as a truck farmer in the late 1960s, has initiated a grassroots campaign for ideas to improve Japan's relations with the U.S. and the world.

According to Ishikawa, "kenbei" is not so much a dislike of America, but rather a sense of frustration with Japan for being unable to respond constructively to world events.

This frustration has then been projected onto the U.S. as resentment for forcing Japan to act—while, at the same time calling attention, to its inadequacies.

Ishikawa first suggested "kenbei" shortly after Iraq's August 1990 invasion of Kuwait when young Japanese believed Japan should act as a world leader but was thwarted by constitutional constraints and bureaucratic morass.

"Kenbei is not a dislike of America. It is a dislike of Japan." Ishikawa clarified in an interview with KYODO News Service.

He stressed, "After we feel our frustration, we might begin to show some feelings like 'kenbei' (because of U.S. pressure). We are still in confusion."

Shortly thereafter, less prescient writers like Yasuo Tanaka, most often credited with coining the word "kenbei," were deriding the U.S. for its economic and social problems and for wringing out of Japan a 13 billion dollar contribution to fight the Gulf war.

Ishikawa, 45, dismissed this younger generation of newly unearthed social critics as largely apolitical—noting that before the Gulf crisis, they wrote almost exclusively about cars, fashion, and picking up girls.

Despite the profusion of "kenbei" critics, Ishikawa, who is familiar with the social upheaval of the 1960s in Japan and the U.S., says he has seen nothing to convince him that a wave of anti-Americanism is sweeping Japan.

Ishikawa remarked that no new anti-American voice has emerged among the idols and personalities most often seen and emulated by the young Japanese.

"If (pro baseball pitcher Masumi) Kuwata or (ubiquitous model) Rie Miyazawa had said they hate America, then we might have a problem," said Ishikawa.

There are no boycotts of American goods, young Japanese still prefer American music and movies, and the U.S. is still a favorite destination for Japanese travelers—all signs to Ishikawa the relationship is sound.

Ishikawa dismissed Shintaro Ishihara, author of "The Japan That Can Say No," as merely reiterating positions the maverick Dietman has held for a long time.

Only in light of continued trade friction, Japan-bashing, and now "kenbei" have people started to pay attention to Ishihara, who had been largely ignored until his controversial book.

Ishikawa does not deny that trade friction should be a concern, but says much of the problem arises from perception gaps.

"I think people should look more carefully at each other. Most Japanese do not know how much their markets are closed. And Americans do not understand how much our markets are open," Ishikawa maintained.

A year ago Ishikawa initiated the "10-dollar campaign." He called on the Japanese people to donate 10 dollars, along with an idea to improve relations with the U.S. and the world. The best ideas would be implemented, using the money gathered in the campaign.

He said the key to the campaign was the ideas, which he claimed would get the Japanese people involved where the government and business fall short.

Ishikawa has fielded over 800 contributions from all over the world while returning donations submitted without an idea.

Being considered for the funds are ideas for a scholarship for Hawaiians or native Pacific islanders, taking out ads in major U.S. and Japanese dailies for an exchange of ideas, inviting journalists from minority newspapers in the U.S. to Japan, and a homestay program for U.S. and Japanese politicians.

"Around the time of the Pearl Harbor anniversary, people in the U.S. and Japan were calling for apologies, blaming each other for the war," said Ishikawa, "but one contributor noted that it was the Hawaiians and native islanders who suffered the most during the war in the Pacific, so we should consider setting up a scholarship for them."

Ishikawa, saying he wants to make the awards an annual affair, seemed most amused about the prospect of a homestay program for politicians.

"Maybe we can send (former Prime Minister Yasuhiro) Nakasone to Harlem or (U.S. Congressman Richard) Gephardt to stay with a rice farm family in Akita," said Ishikawa.

Labor Costs Cited in U.S. Plant's Shutdown

OW2801075992 Tokyo KYODO in English 0726 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Hitachi Ltd. will shut down this year its consumer electronics manufacturing plant in Anaheim, California, company officials said Tuesday. The closure of the plant run by Hitachi Home Electronics (America) Inc. with some 150 employees will begin with a reduction of 60 jobs by July, the officials said. The remaining employees can move to Hitachi's import testing plant in San Diego if they wish, they said.

The California plant turns out projection television sets and videocassette recorders. Production will be transferred to factories in Mexico and Malaysia, where costs are cheaper, they said. The move follows a trend among Japanese consumer electronics makers to shift their production to areas where costs, including that of labor, are lower.

Kokuyo To Tie Up With Apple Computer on Sales

OW2901105192 Tokyo KYODO in English 1009 GMT 29 Jan 92

[Text] Osaka, Jan. 29 KYODO—Top stationery maker Kokuyo Co. announced Wednesday it will have a sales tie-up with Apple Computer Inc. of the United States, offering office systems with personal computers from April.

The company will set up a division for promoting office integration with 20 employees conducting market surveys in the Tokyo metropolitan area, Kokuyo officials said.

Under the business arrangement, Kokuyo will sell in-house communication systems using Apple's Macintosh personal computers, the officials said.

Kokuyo already has sales tie-ups with Toshiba Corp. and IBM Japan Corp., they said.

Spokesman Declines Comment on EAEC Proposal

OW2901100292 Tokyo KYODO in English 0955 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Top government spokesman Koichi Kato declined comment Wednesday on whether Japan would support the proposed East Asia Economic Caucus (EAEC), saying that more time is needed to determine whether the forum will be supportive of free trade.

"I hope that the EAEC will be a free and open structure that will contribute to promotion of free trade," Kato told a regularly scheduled news conference.

"I think it will take some more time before it becomes clear that the EAEC won't be closed," he said when asked to comment on criticism by some Southeast Asian leaders that Japan is reluctant to back the group due to pressure from the United States.

Heads of governments from the six-member Association of Southeast Asian Nations (ASEAN) in a joint declaration issued at the end of their fourth summit meeting Tuesday said that talks among East Asian economies could contribute to economic expansion in the region, and promote an open and free global trading system.

However, they stopped short of fully backing the Malaysian-proposed EAEC, which was conceived as a counterbalance to possible trading blocs emerging in the West.

Singaporean Prime Minister Goh Chok Tong said at the close of the meeting that it was time for Japan to declare whether it would join the caucus.

Tokyo had earlier indicated that it would make a decision on the grouping after ASEAN leaders reached a consensus on the forum, which excludes the United States.

In other areas, Kato welcomed the outcome of the two-day summit meeting joined by leaders of Singapore, Malaysia, Brunei, Thailand Indonesia, and the Philippines.

"Strengthening unity among ASEAN member nations is important for the stability and prosperity of the Asia-Pacific region," Kato said.

He specifically mentioned agreements to establish an ASEAN Free Trade Area (AFTA) within 15 years from January 1, 1993 and to discuss security issues when ASEAN foreign ministers meet annually with their counterparts from seven major trading partners, including Japan and the United States.

"It is major progress, a big first step, that the (ASEAN) nations are actively approaching outside nations" to discuss security issues, Kato said.

He said items of discussion in the security arena would be worked out later.

Revision of Import Tariffication Plan Sought

OW2801064492 Tokyo KYODO in English 0630 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Japan will continue demanding a revision of the proposal for across-the-board tariffication of farm imports which could force it to allow rice imports, a senior official of the Agriculture, Forestry, and Fisheries Ministry said Tuesday.

Jiro Shiwaku, vice minister for international affairs, made the remark at a meeting of legislators of the ruling Liberal Democratic Party (LDP) representing the farm lobby.

The proposed tariffication of nontariff barriers to farm imports is being discussed at the Uruguay Round of multilateral trade talks in Geneva.

Shiwaku said no country regards as final the draft accord on global trade, including the tariffication proposal.

He expressed doubts that the new round of trade talks would help U.S. President George Bush's reelection campaign, noting that uncertainties cloud the talks.

Bush and Japan's Prime Minister Kiichi Miyazawa, in their summit in Tokyo early this month, agreed that reaching an accord in the Uruguay Round would be an important step toward free world trade.

Government Moves on Rice Tariffication Denied

OW2901052692 Tokyo KYODO in English 0346 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—A leader of the ruling Liberal Democratic Party (LDP) representing the farm lobby on Wednesday denied news reports that government officials sounded out his group on accepting the proposed across-the-board tariffication of farm imports.

The reports said aides of Prime Minister Kiichi Miyazawa approached the group with the idea.

Kosuke Hori, head of the LDP's Special Committee on Farm, Forestry and Fishery Trade, made the denial in a news conference after his group met earlier Wednesday to discuss ways of dealing with the proposed tariffication to replace nontariff barriers to farm imports. Tarrification could force Japan eventually to allow rice imports.

Hori also told reporters his group will ask the government to stick to its policy of maintaining self-sufficiency in rice supplies at the Uruguay Round of multilateral trade talks being held in Geneva.

Hori said his group will talk to government leaders about their true intentions.

Miyazawa and Foreign Minister Michio Watanabe earlier said Japan has no choice but to accept the tariffication proposal, which was contained in a draft accord on world trade prepared by Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), the international trade group overseeing the Uruguay Round talks.

Hata Says Yen's Drop in 'Acceptable Range'

OW2801024792 Tokyo KYODO in English 0228 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—The yen's decline against the U.S. dollar is in an "acceptable range," and in line with the statement issued Saturday by the Group of Seven (G-7) economic policy makers, Finance Minister Tsutomu Hata said Tuesday.

"Further moves of the yen shall be closely monitored," Hata said at a press conference after a cabinet meeting.

The yen slipped against the U.S. dollar in Tokyo morning trading to 125.25 yen, as of 10 A.M., down 0.68 yen from Monday's close.

Foreign exchange dealers said the yen was falling because the G-7 monetary authorities had not specifically supported a higher yen against the dollar in their statement.

Turning to the current general economic climate of Japan, Hata said it is "in an adjustment stage."

"Interest rates have declined to levels low enough to make capital investment by corporations worthwhile. After getting by this stage, the nation's economy will become sound," he added.

Hata stressed the necessity of early approval by the Diet of the national budget for the 1992 fiscal year starting April 1, in order to help the economic recovery.

"The opposition parties are aware of the importance of the fiscal budget to spur the economy," he said, in an apparent reference to the investment and loans programs incorporated in the budget.

Russia Admits to World War II POW's in Siberia

OW2501025892 Tokyo KYODO in English 0133 GMT 25 Jan 92

[Text] Moscow, Jan. 25 KYODO—The Russian Government has formally recognized that more than 100 Japanese were held as prisoners of war and used for forced labor in Siberia after World War II.

Rokuro Saito, president of the All-Japan Former Internees Association received the official labor certificates—including one for himself—Friday at the republic's official document commission in Moscow.

The documents confirm the period of "forced labor," the location of the labor camp, and the specific amount of unsettled payment by the former Soviet authorities, Saito said.

They say that although the government should have paid wages prior to the POWs before they returned to Japan, it could not because rubles could not be taken out of the country at that time, he said.

It is significant that the Russian Government for the first time admitted the suffering of former POWs by issuing the certificates, Saito said.

The labor certificates mark the first recognition by Russian or Soviet authorities that groups of Japanese were held against their will, Saito said. The former Soviet Government last fall recognized the POW status of one Japanese held on espionage charges and later acquitted.

Saito's group, which is suing the Japanese Government for compensation over the internment, has sought official evidence from Soviet, and now Russian, authorities that its members were POWs.

More than 500,000 Japanese POWs were taken to camps mostly in Siberia, according to an historian of the former Soviet Union. The internee association plans to set up a Moscow office to receive labor certificates in the future, Saito said.

The association, based in Tsuruoka, Yamagata Prefecture, in northeast Japan, has sought the labor certificates in connection with its court battle for damages stemming from the Siberian internment. The compensation suit, rejected by a district court, is now on appeal at the Tokyo High Court, Saito said.

Automatic Transfer of UN Seat to Russia Viewed

OW2501090292 Tokyo KYODO in English 0851 GMT 25 Jan 92

[Text] Sapporo, Jan. 25 (KYODO)—Koko Sato, chairman of the ruling Liberal Democratic Party's [LDP] Executive Council, said Saturday he does not understand the rationale behind Russia succeeding the former Soviet Union as a permanent member of the United Nations Security Council.

"I don't understand why Russia has automatically inherited the former Soviet Union as a permanent U.N. Security Council member," he said in a speech in Sapporo.

Sato called for a change in the current U.N. Security Council roster, saying, "at least Japan and Germany should participate" in the council as permanent members.

He also rejected suggestions for a change in government-backed legislation which would allow Japanese troops to participate in U.N. peacekeeping operations.

Trade Ministry To Resume Insurance for CIS

OW2801123992 Tokyo KYODO in English 1208 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—The Ministry of International Trade and Industry said Tuesday it will soon begin trade insurance for the Commonwealth of Independent States (CIS) in exchange for payment guarantee by CIS's external trade bank. The ministry suspended the insurance for sales to the collapsing Soviet Union last December because of the absence of a financial institution responsible for external debt repayments.

It earmarked 1.8 billion dollars to insure external trade with the former Soviet Union last fall. Ministry officials said the fund will be used for trade insurance for the CIS, starting by the end of February.

The officials said the insurance will help promote CIS exports and contribute to its transition to a market economy. The officials said Russian enterprises have been required to deposit 50 percent of foreign exchange earned from exports at the federation's external trade bank since the beginning of this year.

KDD Plans TV Conferencing Service With ROK

OW2801102392 Tokyo KYODO in English 0958 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Japanese telecommunications giant KDD (Kokusai Denshin Denwa Co.) will start international television conferencing services with Korea Telecom (KT) of South Korea on Thursday, KDD officials said Tuesday. The new service will be the first global television conferencing service launched in South Korea.

KDD will charge 43,000 yen for the initial 15 minutes at anytime and 37,000 yen for the subsequent 15 minutes. The firm will also charge a fee for use of its conferencing room. Users of the service in South Korea will be required to pay a similar amount.

Meanwhile, International Telecom Japan Inc. (ITJ) will begin international telecommunications services with Vietnam on February 1, company officials said Tuesday. ITJ will charge 810 yen for the first three minutes. The fee is 250 yen below the fee charged by KDD for the same service.

Arabian Oil of Japan To Exploit Oil in SRV

OW2901133092 Tokyo KYODO in English 1313 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Arabian Oil Co. of Japan announced Wednesday it has agreed with the state-run oil body Petrovietnam to prospect and exploit a mining area off southern Vietnam for oil and natural gas.

This will be the first time that a Japanese company has exploited Vietnamese southern mining areas, company officials said.

The biggest oil producer in Japan will discuss details with the Vietnamese partner, and hopes to make a final agreement by June at the earliest and to start prospecting by the end of this year, the officials said.

The size of the district, 350 kilometers off the southern coast of Vietnam, is 2,500 square kilometers and about 100 meters in depth, they said.

The company believes the district will surely produce crude oil and natural gas because it is next to an oil field dubbed "big bear," which is expected to be one of the largest oil fields in the untapped southern mining areas, they said.

The fields off Vietnam are thought to have richer oil reserves than other untapped oil fields in the world, they said.

Though there was a delay in development due to the Vietnam war and subsequent political turmoil, the Vietnamese Government's strategic change into a market economy encouraged Japanese and European companies to tender for oil field exploitation, the officials said.

For the mining district, three Japanese consortia, including Teikoku Oil Co., have made bids since last year, they said.

Arabian Oil has a large oil field in neutral zone between Saudi Arabia and Kuwait, discovered in 1960.

Meanwhile, Petrovietnam also designated a Korean consortium, British Petroleum Co., the Shell International Group, and a French company for exploitation of other claims in Vietnam's southern mining areas, industry sources said.

Lao Legislator Thanks Miyazawa for Economic Aid

OW2701054692 Tokyo KYODO in English 0449 GMT 27 Jan 92

[Text] Tokyo, Jan. 27 KYODO—The president of the Laotian parliament, Nouhak Phoumsavan, on Monday thanked Prime Minister Kiichi Miyazawa for Japan's economic assistance to his country, Foreign Ministry officials said.

In a meeting with Miyazawa, Nouhak said Japanese economic aid is very efficient and sets a good example for assistance offered by industrial nations to developing countries, according to the officials.

Nouhak asked for more Japanese aid, especially in the field of developing agriculture in Laos.

In response, Miyazawa gave high marks to Laos' reform policy, as reflected in the country's new constitution adopted last August.

Nouhak, who arrived in Tokyo on Sunday for an eight-day visit at the invitation of the Foreign Ministry, is scheduled to meet Yoshio Sakurauchi, speaker of the House of Representatives, House of Councillors President Yuji Osada, and Koji Kakizawa, the parliamentary vice foreign minister.

Tokyo 'Prepared To Host' Meeting on Cambodia

OW2801085992 Tokyo KYODO in English 0833 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Prime Minister Kiichi Miyazawa said Tuesday Japan is prepared to host an international conference on the reconstruction of Cambodia this year.

Miyazawa told a Diet session that Japan is ready to extend appropriate assistance to Cambodia to help it during its transition to peace after 13 years of conflict and said that passage of the U.N. Peacekeeping Bill would also allow Tokyo to make suitable contributions. The bill, which would allow Japan to dispatch military personnel to join U.N. peacekeeping forces in Cambodia and elsewhere, was carried over from the previous Diet session.

Miyazawa said that if other countries are in agreement, Japan will host a reconstruction conference sometime this year. He made the comments in response to a question by Koshiro Ishida, leader of the No. 2 opposition party Komeito, on the first day of three days of Diet interpellations.

Last October then Foreign Minister Taro Nakayama formally proposed a Tokyo meeting on reconstruction of

Cambodia, to be joined by the United States and other Western countries and major international lending agencies such as the World Bank and the Asian Development Bank.

Norwegian Prime Minister Brundtland Arrives

OW2601045192 Tokyo KYODO in English 0443 GMT 26 Jan 92

[Text] Tokyo, Jan. 26 KYODO—Norwegian Prime Minister Gro Harlem Brundtland arrived in Tokyo on Sunday for talks with Japanese political and business leaders on a wide range of topics, including environmental protection.

Brundtland, the first Norwegian woman to become prime minister, first visited Japan in 1987 as chairman of a special United Nations panel on the environment.

During her four-day stay in Japan, Brundtland will meet with Prime Minister Kiichi Miyazawa and other Japanese political and business leaders to discuss bilateral and international issues.

She will also pay a courtesy call on Emperor Akihito and Empress Michiko at the Imperial Palace.

Brundtland is also scheduled to tour the ancient capital of Kyoto during her stay in Japan.

Meets Environment Agency Chief

OW2701054092 Tokyo KYODO in English 0408 GMT 27 Jan 92

[Text] Tokyo, Jan. 27 KYODO—Japan and Norway agreed Monday to work together to create a system to finance developing countries' efforts to reduce carbon dioxide emissions, officials said.

The agreement was reached in a meeting between Environment Agency Chief Shozaburo Nakamura and Norwegian Prime Minister Gro Harlem Brundtland.

The Norwegian leader arrived in Tokyo on Sunday on a four-day official visit.

Nakamura and Brundtland also agreed to cooperate in persuading the United States to make further efforts to cut back carbon dioxide emissions, the officials said.

Brundtland was quoted as saying carbon dioxide emissions-reducing countermeasures taken by developing countries, with the support of developed nations, would be more efficient at preventing gradual warming of the earth than stepping up efforts in developed nations.

She also said carbon dioxide emission reductions achieved in a developing country should be regarded as cuts made by the more advanced country, since they are helping the developing nation's reduction efforts.

After the talks, the Norwegian prime minister and her husband had lunch with Emperor Akihito and Empress Michiko at the Imperial Palace.

Urges Environmental Contribution

OW2701075592 Tokyo KYODO in English 0746 GMT 27 Jan 92

[Text] Tokyo, Jan. 27 KYODO—Norwegian Prime Minister Gro Harlem Brundtland called on Japan on Monday to contribute financially to the protection of the natural environment in developing countries.

Brundtland, in a meeting with former Japanese Prime Minister Noboru Takeshita at a Tokyo hotel, said there is a need to maintain a balance between development and the environment when taking into account the benefits to developing countries of economic growth.

Takeshita told Brundtland that Japan intends to participate in international efforts to maintain the environment.

Takeshita is an organizer of an April conference in Tokyo which aims to find ways to finance proposals put to the United Nations Conference on Environment and Development (UNCED)—otherwise known as the "Earth Summit"—in Rio de Janeiro in June.

Meets With SDP's Tanabe

OW2801041192 Tokyo KYODO in English 0346 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Norwegian Prime Minister Gro Harlem Brundtland called on Japan Tuesday to increase its official development assistance (ODA) to help improve the earth's environment.

She made the call in a meeting with Social Democratic Party (SDP) Chairman Makoto Tanabe at a Tokyo hotel, party officials said.

Brundtland said Japan should raise its ODA from the present level of 0.33 percent of Japan's 403 trillion yen gross national product (GNP), as a measure to help protect the environment.

She noted that her country allocates 1.1 percent of its GNP to environmental causes, the officials said.

They said Brundtland also urged Japan to extend more economic and financial aid to developing countries.

Tanabe, leader of Japan's largest opposition party, replied that the SDP will "strongly" ask the government to invest more in preserving the global environment, the officials said.

Discusses Jun 'Earth Summit'

OW2801105792 Tokyo KYODO in English 1031 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Norwegian Prime Minister Gro Harlem Brundtland said Tuesday the success of the June "Earth Summit" in Brazil depends on how industrialized nations can "be willing to see the need for development" in developing nations.

Brundtland, who arrived in Japan on a four-day official visit, met reporters at the Japan National Press Club in Tokyo. She is the first Norwegian prime minister to make an official visit here.

She said the June 1-12 United Nations Conference on Environment and Development, commonly known as the Earth Summit, in Rio de Janeiro will give all countries an opportunity to "demonstrate their willingness to assume the necessary commitments and responsibilities for environment and development."

For industrialized countries of the Northern Hemisphere, however, she said the Earth Summit "is not only the question of the North being committed and obligated to do something about its own environment."

The prime minister said what is even more important for such countries at the summit is "to be willing to see the need for development in the South," and to come forward with additional funding to "make sustainable development an option for the South." She said Japan's role at the summit can be essential in contributing to such funding, together with the European Community and the United States.

If industrialized nations fail to provide the funding, she said it will be hard for developing countries to sign "in common obligations for the future."

Brundtland also said Japan deserves "a great deal of credit for its generous contributions" toward U.N. peace-making and peacekeeping activities.

"We trust that Japan, as a member of the (U.N.) Security Council, will continue to pursue its active, constructive policies in the sphere of regional conflicts," she said.

This is "much appreciated" in Norway, which has "long traditions and extensive experience from various peacekeeping operations."

Last month, the Diet carried over to the current session a government-proposed bill which would allow Japan to send troops overseas to join U.N. peacekeeping operations.

Earlier in the day, Brundtland met with Makoto Tanabe, chairman of the largest opposition Social Democratic Party (SDP), and called on Japan to increase its official development assistance (ODA) to help improve the earth's environment.

Brundtland said Japan should raise its ODA from the present level of 0.33 percent of Japan's 403 trillion yen gross national product (GNP), as a measure to help protect the environment.

She said her country allocates 1.1 percent of its GNP to environmental causes.

Asian Nations Seek Aid for Environment Programs

OW2901074192 Tokyo KYODO in English 0720 GMT 29 Jan 92

[Text] Nagoya, Jan. 29 KYODO—Asian countries asked Wednesday for western aid to assist in their environmental protection efforts as the Inter-American Development Bank (IDB) ended a two-day seminar here on financing for environmental issues.

Thai, Philippine, and other Asian delegates explained the environmental problems in their countries and emphasized the need for western aid to solve them.

Antonio Tria, undersecretary of the Philippine Department of Environmental and Natural Resources, told a subcommittee session his country spends half of its national budget to repay interest on its foreign debts and must depend on foreign aid for its environmental programs.

Monthip Tabucanon, deputy director at the Thai office of national environment board, said introduction of foreign aid to his country is expected to become more difficult in the coming years and emphasized the need to raise funds domestically for environmental protection.

Eisuke Sakakibara, deputy director general of the Japanese Finance Ministry's international finance bureau, said Japan attaches importance to the environment in its aid programs.

Miyazawa: Government May Study Defense Strength

OW2801135292 Tokyo KYODO in English 1326 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Prime Minister Kiichi Miyazawa told parliament Tuesday that the government may review Japan's defense strength, set in 1976. Miyazawa rejected a call by Makoto Tanabe, chairman of the opposition Social Democratic Party, for a cut in defense outlays, but said the Defense Agency has started to study Japan's future defense capacity.

"This may lead to changes in the attainment of the national defense program outline but it will take some time," Miyazawa said.

The 1976 national defense outline prescribes the level of defense capabilities that should be maintained in peacetime and stipulates that, if aggression occurs, Japan should repel it at an early stage in cooperation with the United States. The outline sets the size of Japan's forces at 180,000 personnel, in 13 divisions, six brigades, and eight antiaircraft artillery groups, for the Ground Self-Defense Force. Also prescribed are "about" 60 antisubmarine surface ships, 16 submarines, and "about" 220 combat aircraft for the Maritime Self-Defense Force and "about" 430 combat aircraft for the Air Self-Defense Force.

Chief Cabinet Secretary Koichi Kato told reporters after Miyazawa's comments in the Diet that the basic stance of the government on defense buildup has not changed but the review could result in changes in the outline.

Miyazawa instructed the Defense Agency last December to review the 1991-95 Mid-Term Defense Program in view of the end of the cold war and financial difficulties. The 22.75 trillion mid-term defense buildup plan calls for the procurement of costly defense systems, including four airborne warning and control planes, known as AWACS, 42 F-15E fighters, and 36 units of a U.S.-made multiple launch rocket system.

Defense spending for fiscal 1992 is set at 4,551.8 billion yen, an increase of 3.8 percent or 165.8 billion yen from the fiscal 1991 initial defense budget, but the lowest growth rate in 32 years since a 0.6 percent year-on-year rise in 1960.

Miyazawa Urges Upper House To Pass PKO Bill

OW2901045192 Tokyo KYODO in English 0427 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Prime Minister Kiichi Miyazawa called on the House of Councillors to pass a bill to allow Self-Defense Forces (SDF) personnel to join United Nations peacekeeping forces.

Miyazawa made the request in reply to questions from Social Democratic Party (SDP) member Takakatsu Tsushima in the plenary session of the 252-seat second chamber.

The upper house is dominated by opposition parties. The U.N. Peace Cooperation Bill, which was already approved by the House of Representatives, will not become law unless both houses of the Diet pass it.

Miyazawa said the bill does not violate the war-renouncing Constitution, which prohibits using military force as a means to resolve international disputes.

The prime minister said Japan should make economic, technological and personnel contributions to the international society without a military threat to Asian and other countries.

"We will make the utmost contribution to the U.N. peacekeeping operations with our Constitution in mind," Miyazawa said.

On the United Nations, Miyazawa said the world body has a new opportunity to play a role to prevent conflicts and maintain peace and security in the world in the post-cold war era.

Miyazawa said Japan is determined to contribute to the strengthening of the U.N. functions and the promotion of disarmament.

He referred to the Commonwealth of Independent States (CIS) emerging from the Soviet Union, saying that Japan will help CIS nations reconstruct their economies.

He called on Russian President Boris Yeltsin to visit Japan as early as possible to discuss ways of resolving a territory dispute over four Russian-held islands north of Hokkaido.

Miyazawa said Japan and Russia cannot avoid resolving the issue over the four islands—the Habomai Islets, Shikotan, Etorofu, and Kunashiri—off eastern Hokkaido when the two countries consider the improvement of overall bilateral relations.

Japan claims the four islands as its inherent territories, but the defunct Soviet Union has held them since the end of World War II.

On a series of political scandals, Miyazawa said he will let former State Minister Fumio Abe decide on whether he will quit parliament.

Abe was arrested earlier this month on suspicion of taking 80 million yen in bribes from Kyowa Co., a defunct steel-frame maker.

Asked on his alleged involvement in the 1988-1989 Recruit scandal, Miyazawa said he has already answered questions about it in good faith.

Determined To Strengthen UN

OW2901092092 Tokyo KYODO in English 0910 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Prime Minister Kiichi Miyazawa said Wednesday the government could revise a bill to send Self-Defense Forces personnel on U.N. peacekeeping missions if the ruling and opposition parties agree.

"The government thinks the proposed U.N. peace cooperation bill is the best bill," he said. "But it will be ready to revise the bill if the governing Liberal Democratic Party (LDP) and the opposition parties agree to do so."

Responding to LDP member Masakuni Murakami in Diet questioning, Miyazawa said a full Japanese contribution to the international community depends on the Diet approving the bill to allow its military to join U.N. peacekeeping operations.

The prime minister told the plenary session of the 252-seat House of Councillors that the bill does not violate Japan's war-renouncing Constitution, which prohibits military force to resolve international disputes.

On Asian policies, Miyazawa said Tokyo will keep its history as aggressor in mind while promoting relations with other Asian countries, calling Asia a key region for Japanese diplomacy.

Murakami asked Miyazawa to consider reopening contacts between Japanese and Taiwanese Government officials. Japan agreed to prohibit such contacts in the 1978 Japan-China friendship treaty.

Miyazawa said Japan welcomes closer contacts between Beijing and Taipei, adding Japanese diplomacy with China must be based on the treaty. But he said he understood Murakami's point.

Miyazawa also answered questions from Social Democratic Party (SDP) member Takakatsu Tsushima in the upper house, and in a plenary session of the 512-seat House of Representatives, from SDP member Kanju Sato, Japanese Communist Party member Mitsuhiro Kaneko, and Democratic Socialist Party Chairman Keigo Ouchi.

On the United Nations, Miyazawa said the world body has a new opportunity to help prevent conflicts and maintain peace and security in the world in the post-cold war era.

Miyazawa, pledging Japan's determination to contribute to strengthening U.N. functions and promoting disarmament, said the government is ready to support strengthening the authority of the U.N. secretary general.

Regarding Japan-U.S. relations, Miyazawa said Japan will make every effort to achieve its target for Japanese automakers to import 19 billion dollars worth of auto parts from the United States.

That goal was set during this month's summit between Miyazawa and U.S. President George Bush.

Referring to the Commonwealth of Independent States emerging from the Soviet Union, Miyazawa said Japan will help the former Soviet republics reconstruct their economies.

He called on Russian President Boris Yeltsin to visit Japan as soon as possible to discuss ways of resolving a territorial dispute over four Russian-held islands northeast of Hokkaido.

Miyazawa said Japan and Russia cannot avoid resolving the issue over the islands—the Habomai islets, Shikotan, Etorofu, and Kunashiri—when the two countries consider the improvement of overall bilateral relations.

Japan claims the islands as its "northern territories" but the Soviet Union and now the Russian Federation have held them since the Red Army seized them at the end World War II.

On a series of political scandals, Miyazawa said he would let former state minister Fumio Abe decide for himself whether to quit parliament.

Abe was arrested earlier this month on suspicion of taking 80 million yen in bribes from Kyowa Co., a defunct steel-frame maker.

Asked about his own alleged involvement in the 1988-1989 Recruit Scandal, Miyazawa said he has already answered questions about the scandal in good faith.

Survey: Foreign Business People Like Nation

OW2901132092 Tokyo KYODO in English 1249 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—A commercial bank said Wednesday its survey showed that about half the foreign business people questioned regard Japan as an easy place to work.

Dai-ichi Kangyo Bank said 300 foreign business people stationed in Japan for more than one year responded to the survey.

The survey showed that a majority of respondents said they liked the working environment at Japanese offices while 30 percent complained that it is hard to work and there are too many conferences.

The bank said 69.3 percent of pollees said Japan is an easy place to live while three out of four listed language as their No. 1 problem in the country.

Gunma Bank To Establish Subsidiary in Netherlands

OW2901085892 Tokyo KYODO in English 0813 GMT 29 Jan 92

[Text] Maebashi, Jan. 29 KYODO—Gunma Bank, which ranks 10th among regional banks, said Wednesday it will establish a wholly owned subsidiary in Amsterdam, the Netherlands, to engage in banking and securities business.

The bank, based in Maebashi, Gunma Prefecture, said the new firm, Gunma Bank Europe N.V. capitalized at 2,450 million yen (35 million Dutch guilders), will start operations February 14.

The company said the new firm will serve as the bank's new foothold in Europe ahead of the impending market integration of the European Community (EC).

Watanuki Urges Comprehensive Political Reform

OW2501073092 Tokyo KYODO in English 0642 GMT 25 Jan 92

[Text] Sendai, Jan. 25 (KYODO)—Tamisuke Watanuki, secretary general of the ruling Liberal Democratic Party [LDP], called Saturday for comprehensive political reform, dismissing suggestions for keeping tabs on political funds.

"We should consider political ethics, Diet reform, political funds, and election system as a 'package'," said Watanuki, who was in Sendai to attend a local political party.

Watanuki's statement appeared to be in contrast to Prime Minister Kiichi Miyazawa's argument that the question of political funds should be given top priority.

"Only tightening grips on political funds does not solve problems. There is a close link between political funds and the electoral system," Watanuki said.

Panel Supports Liberalization of Brokerages

OW2801095692 Tokyo KYODO in English 0936 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—A Finance Ministry advisory panel report issued Tuesday on securities market reform urges liberalization of commission rates and clearer regulations to prevent further stock scandals. The panel, which presented its recommendations to Finance Minister Tsutomu Hata, said the government should remove fixed commission rates on large stock transactions and make standards for market entry more transparent to encourage competition.

Details concerning liberalization of commission rates will be discussed by a panel subcommittee, with final recommendations due next year, according to Ichiro Kato, head of the Securities and Exchange Council. The subcommittee will try to determine which large transactions should be eligible for liberalized commission fees and when the system should take effect, Kato said.

"The time frame for scrapping fixed rates has not been decided partly due to the current weak stock market," Kato said, adding the removal of fixed rates might be delayed further if the market continues to falter. Kato was also cautious about whether the proposed steps will help restore trust among general investors in the Japanese stock market.

"It is difficult for the proposed measures alone to recover general trust in the market," Kato said. "We cannot fathom all the effects of the steps on the market until they are actually taken," he added.

The panel report is in line with more sweeping recommendations submitted last September by the Special Advisory Committee on Administrative Reform to then Prime Minister Toshiki Kaifu. Kaifu sought the committee's advice on reforming the securities market in the wake of a loss-compensation scandal involving the Big Four brokerage firms.

More than 20 securities companies, including Nomura, Daiwa, Nikko, and Yamaichi, compensated their top customers for more than 1 billion dollars worth of trading losses. Some brokerage giants were also charged with doing business with organized crime figures and manipulating stock prices on their behalf.

The turmoil generated by the biggest such scandal to date and the damage inflicted on the stock market prompted Kaifu to take steps designed to clean up the mess. The administrative reform committee, however, rejected the idea of an independent agency to regulate the securities industry similar to the U.S. Securities and Exchange Commission.

In its September report, the reform committee instead proposed creation of an organization with limited authority within the Finance Ministry to oversee the market. It also called for more transparent administration by the ministry, removal of fixed commission rates, and greater self-restraint in the securities industry.

The Finance Ministry plans to submit a bill during the current Diet session to amend the Securities and Exchange Law in line with some of the committee's recommendations, including the establishment of a new securities watchdog body.

A bill to revise the Securities and Exchange Law passed the Diet last year making compensation by brokers and banks for client losses a criminal offense.

The Securities and Exchange Council has been discussing measures to boost competition in the market since last November, following the September recommendations by the administrative reform committee.

The Tuesday report by the 13-member panel also called on the Finance Ministry to scrap many of the vague administrative guidelines pertaining to brokers. A ministry official said there are 450 individual advisories concerning securities industry administration and that the ministry is now working on clearer legislation that would replace them.

Among other measures recommended by the panel are tripling the minimum required capital for brokerage companies in order to strengthen the financial foundations of small players. Augmentation of the functions and authority of industry watchdog groups was also advised.

Concerning the proposed removal of fixed commission rates on large stock transactions, panel Chairman Kato said some members of the council expressed concern about moving too hastily on the matter.

"One of the main concerns is that free commission rates on large transactions could lead to higher commissions for small-lot transactions, which would likely drive individual investors away from the market," he said.

"The skeptical members of the panel pointed out that the freeing of commission rates has generated many unfavorable side effects in the U.S. and other overseas markets."

"We must move step by step, studying the effects of each step quite well," he said.

The proposal is expected to be a watershed in the Japanese securities industry, which has long enjoyed the ministry's aegis. In contrast, fixed commissions have already been eliminated in major foreign markets such as New York and London, where they are generally regarded as an anticompetitive subsidy for securities firms.

The Finance Ministry had long argued that the system is vital to the survival of small brokerages. But the ministry was forced to change its stance as the system was singled out by critics as being at the core of the stock scandal.

The new proposal is expected to encourage brokerages to compete on price and performance rather than by offering illegal guarantees to important clients. The securities industry fears that stiffer competition could further cloud the profit picture, which is already grim due to the weak stock market.

Shogo Watanabe, chairman of Japan Securities Dealers Association, said at a press conference on Tuesday that he is not willing to accept the proposal.

"I don't think the freeing of commission rates on large transactions is an inevitable step," he said. "It is no wonder if skepticism develops in the discussion at the subcommittee over liberalization."

Minoru Nagaoka, president of the Tokyo Stock Exchange and also a member of the council, said at a separate press conference that he consistently objected to the step at the council meetings.

"The recommendations should nevertheless be given due respect," Nagaoka said. "I would like to see cautious consideration of the question at the subcommittee," he said.

Deregulation, Disclosure in Financial Mart Urged

OW2901092192 Tokyo KYODO in English 0859 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—A government advisory panel Wednesday called for deregulation and information disclosure in the financial industry to boost fair competition and recover public trust in the market.

In a report submitted to Finance Minister Tsutomu Hata, the Financial Systems Research Council said the government should quicken proposed reforms to prevent a recurrence of the scandals that rocked Japanese markets last year.

The report said it is imperative for the Finance Ministry to fully realize market liberalization steps proposed last June by the same council.

It stresses the importance of rapid legal changes to allow financial companies to enter other business areas since competition is restricted in the segregated Japanese system.

The ministry is already working on the amendments of concerned laws to achieve the reforms, including revisions to allow banks to do trust banking and securities business through their subsidiaries.

The report also calls for a swift review of various "rules and conventions" in the financial industry that hamper free competition in the market.

It also urges the ministry to review its administrative guidances that could restrict new entries to the market.

In order to improve the transparency of financial administration, the report argues, the ministry should scrap unnecessary guidances and simplify the others as much as possible.

Satoshi Sumita, a former Bank of Japan governor who heads the council, said, "the efforts to prevent a recurrence of the scandals should be made in a direction of deregulation, not through strengthening the ministry's authority."

"All the proposed measures should be implemented to make financial institutions take greater responsibility for their own management," he said.

On efforts to restore general trust in the financial industry, the panel called on institutions to augment their in-house management systems and advance information disclosure.

The report says institutions should unveil a wider range of information concerning their management, such as information about bad loans, inspections, and management principles.

Japanese financial companies are required by law to make more detailed disclosures than nonfinancial firms, and industry organizations like the Federation of Bankers Associations of Japan set the unified standards for disclosure.

The report urges those organizations to revise the standards to make disclosures more effective and useful.

The council proposed to set up a special task force to discuss the question in detail, including the issue of reviewing standards for corporate bookkeeping.

The task force will likely submit its report by the time companies announce their business results for fiscal 1992, a ministry official said.

As a means of beefing up financial companies' internal management, the report recommends the introduction of outside directors as well as strengthening auditors' functions.

On securing sound management basis, institutions should improve their financial standings, including capital to asset ratios.

The report says the ministry should give legal basis to domestic requirements on capital adequacy, now enforced through administrative guidances.

The report also recommends establishing a system to monitor management of institutions through regular inspections and other means.

It emphasizes the importance of appropriate utilization of deposit insurance systems to guarantee credit securities as the management environment is expected to become tougher for companies due to deregulation.

Chairman Sumita said both mergers and the deposit insurance system should be mobilized effectively to salvage institutions that face management crisis.

Legal Regulation Eyed on Privately Placed Bonds

OW2901084292 Tokyo KYODO in English 0821 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Offerings of bonds for private placement would be tightly regulated like those offered for public placement under a revised law governing securities transactions, according to a legislative draft obtained Wednesday by KYODO News Service.

The document, drafted by the Finance Ministry to revise the securities and exchange law, stipulates that privately placed bonds be purchased only by eligible institutional investors and prohibits the resale of them to institutions not eligible to purchase them.

The draft legislation defines private-placement bonds as those other than stock, convertible bonds, and bonds with equity-purchase warrants, or as those offered to less than 50 investors.

Privately placed bonds are debentures offered by corporations to relatively few investors or a selected group, such as institutional investors, rather than those offered to the market by underwriters.

No clear legal definition of them exists under the securities and exchange law, and such debts are regulated under administrative ordinances and verbal notices by the Finance Ministry.

How to define and regulate privately placed bonds has been one of the thorniest issues surrounding a revision of the securities and exchange law. Bills related to the law are to be submitted to the current ordinary session of the Diet.

Under the revision, corporations that offer such debts for private placement would be obliged to report to the finance minister, as in the case of those offered for public placement.

The draft also stipulates securities business by banks be limited to subsidiaries capitalized at 10 billion yen or more.

But banks would be allowed to hold a stake of more than 50 percent in such subsidiaries.

LDP Team To Study Measures To Boost Economy

OW2701124692 Tokyo KYODO in English 1235 GMT 27 Jan 92

[Text] Tokyo, Jan. 27 KYODO—The ruling Liberal Democratic Party (LDP) is forming a project team to discuss further measures aimed at boosting the domestic economy, LDP sources said Monday.

Leaders of the government and the LDP agreed at their meeting earlier in the day that every effort should be made to pass the fiscal 1992 budget as quickly as possible.

The sources said, however, that the Diet's quick approval of the budget alone will not be sufficient to spur a business recovery.

As a result, LDP chief policymaker Yoshiro Mori directed his aides to form a project team early next month to discuss pump-priming measures, including a further cut in the discount rate.

Stepped-up implementation of public works projects, further deregulation and measures to stimulate consumer spending will also be examined, they added.

Governmental Economic Panel Members Appointed

OW2601233892 Tokyo KYODO in English 2307 GMT 26 Jan 92

[Text] Tokyo, Jan. 27 KYODO—Prime Minister Kiichi Miyazawa on Monday appointed 103 additional members, including several foreigners, to his advisory panel for working out new five-year economic plans and policies.

The appointment brought the total number of economic council members to 113. Ten members, including the four section leaders, have been previously appointed.

The new members include cartoonist Sanpei Sato, novelist Junichi Watanabe, and Keiko Nakamura, a Waseda University professor on biotechnology, as well as local mayors.

Four foreigners will also join the council's deliberations on new economic plans and policies but the foreign members will have no voting rights.

The foreign panelists include Christian Polak, a French consultant for French companies advancing to the Japanese market, and Tran Van Tho, a Vietnamese associate professor at Tokyo's Obirin University.

The council plans to work out an interim report in mid-April.

Leading Indicator Remains Below 'Critical' Level

OW2801062392 Tokyo KYODO in English 0553 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—The leading indicator of the Japanese economy stood at 20.0 percent in November, remaining below the critical 50 percent level for the 15th consecutive month, the Economic Planning Agency reported Tuesday.

The agency attributed the weakness to sluggish corporate capital investment and rising inventory levels.

A reading below the "boom-or-bust" level of 50 percent is regarded as a sign of economic slowdown in the short term.

The coincident index, comprising such factors as industrial production, capacity utilization, and department store sales, stayed below 50 percent for the second straight month due mainly to weakening employment- and consumption-related indexes, the agency said.

The agency said indicators for production, electric consumption, and investment and inventory indexes turned up from declines in the preceding month, while the employment index remained unchanged.

Indicators for raw materials consumption and plant operation ratios declined for the second straight month, while sales at department stores fell for the third month in a row in November.

The lagging indicator, which measures the domestic economic performance in the recent past, stayed above 50 percent for the third straight month, the agency said.

Economy 'Continuing To Slacken'

OW2801080292 Tokyo KYODO in English 0714 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Japan's leading economic indicator remained below the boom-or-bust threshold of 50 percent in November for the 15th month running, the Economic Planning Agency (EPA) reported Tuesday.

The leading index, which indicates economic performance three to six months ahead, stood at 20 percent in November. The index for October was revised to 9.1 percent from a preliminary reading of 0.0. The agency considers a figure of 50.0 or above as indicating economic expansion and a figure below 50.0 as signaling a possible economic slowdown.

An EPA official briefing reporters on the diffusion indices attributed the 20 percent showing in the leading index to weak performances in the components related to investment and inventories. Inventories of food, cigarettes, electrical machinery, oil, coal, and steel have piled up, he said.

The coincident indicator, which reflects the economy's current condition, fell below the 50 percent mark in November for the second month in a row. It stood at 38.9 percent, up from 0.0 in October.

The official blamed the poor reading on weak performances of the indicator's employment and consumption-related components. The lagging index, a gauge of the economy's recent performance, stood at 71.4 percent in November, down from 78.6 percent in October.

November marked the second successive month that the lagging index posted a reading above the 50 percent line. In its monthly report, the EPA said the basic movements of the diffusion indices indicate that the economy is continuing to slacken in a broad range of areas. The agency dropped the term "expanding" when describing the economy in its report released last month.

The EPA official noted, however, that it is too early to make an official comment on whether the economy is in fact contracting. He said the government needs such figures as that of the gross national product, the nation's total output of goods and services, for the October-December quarter, to make such an assessment.

MITI Reports Crude Oil Imports Up in 1991

OW2701074892 Tokyo KYODO in English 0737 GMT 27 Jan 92

[Text] Tokyo, Jan. 27 KYODO—Japan's imports of crude oil rose 6.1 percent in 1991 from a year earlier to 1,526.58 million barrels, the Ministry of International Trade and Industry (MITI) reported Monday.

The 6.1 percent increase, the fourth consecutive yearly gain, compared with 9.1 percent year-on-year growth recorded in 1990, when foreign crude purchases totaled 1,438.90 million barrels.

The United Arab Emirates (UAE) remained the top crude supplier for Japan, accounting for 25.4 percent of the imports, followed by Saudi Arabia, with a 22.5 percent share, and Indonesia, with an 11.9 percent share.

Japan bought little or no crude from Iraq and Kuwait due to the economic embargoes imposed against the two countries after Iraq annexed its rich neighbor in August 1990.

Persian Gulf nations together supplied 72.8 percent of Japan's oil imports, against 71.5 percent the year before.

Crude processing increased 6.1 percent last year to 1,342.35 million barrels, the highest since 1980.

The increase reflects the trend in Japanese oil companies since the Persian Gulf crisis to reduce dependence on relatively expensive foreign oil products.

The operation ratio of oil refining facilities increased to 77.6 percent in 1991 from 75.5 percent in 1990.

Fuel imports, accordingly, dropped 24.0 percent to 244.24 million barrels, while domestic production of fuel increased 7.6 percent to 1,247.87 million barrels.

Domestic fuel sales were up 1.4 percent to 1,385.50 million barrels, with those of transport-related fuel like gasoline and jet fuel setting new records.

The ministry also said Japan's crude imports in December posted the first increase in three months, rising 3.2 percent from a year earlier to 148.19 million barrels.

Japanese oil refiners processed 131.71 million barrels of crude last month, a 7.8 percent rise from the year-ago levels and the highest since last 1980.

Fuel imports declined 2.9 percent to 17.99 million barrels, while domestic output of fuel rose 7.3 percent to 123.35 million barrels.

December fuel sales grew 4.5 percent to 139.26 million barrels.

Idemitsu Firm To Jointly Develop Oil in Yemen

OW2901105492 Tokyo KYODO in English 1021 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Idemitsu Oil Development Co., a subsidiary of Japan's top oil distributor, said Wednesday it will develop oil in Yemen jointly with four foreign enterprises under a production sharing formula.

The company said a formal contract has been signed with the Yemen Government.

Under the contract, Idemitsu will join in oil development in the promising Hood field covering 6,900 square kilometers of land about 600 kilometers east of the capital city of San'a.

A joint venture will be formed with four partners to engage in the undertaking, the company said.

The new firm will be owned 33 percent by Lasumo Oil (Aden) Ltd. of Britain, 30 percent by British Gas Exploration and Production Ltd., 15 percent by Idemitsu, 12 percent by Coprex (Hadramaut) Ltd. of Australia and 10 percent by Hood Oil Ltd. of Yemen, the company said.

The company said a new subsidiary, Idemitsu Yemen Oil Development Co., will be incorporated to promote the project.

1991 Industrial Output, Shipments Said To Rise

OW2801065392 Tokyo KYODO in English 0636 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Japan's industrial output in 1991 rose 2.1 percent over the preceding year although production activity slowed in the last three months, the Ministry of International Trade and Industry said in a preliminary report Tuesday.

The shipment index posted a 1.7 percent year-on-year rise while the inventory index surged 12.8 percent, the ministry said.

In December, mining and manufacturing production declined from a year earlier for the third straight month, with the seasonally adjusted index standing at 126.4 against 100 for 1985, down 0.9 percent from a year earlier.

The shipment index for December declined 1.9 percent to 126.7 while the inventory index surged 1.6 percent to 124.2, the ministry said.

The ministry predicted that production activity would remain weak for a few months to come, with a mild recovery in January, followed by a downturn in February.

MITI Official Ono Comments

OW2801083092 Tokyo KYODO in English 0801 GMT 28 Jan 92

[Text] Tokyo, Jan. 28 KYODO—Japan's industrial production shrank a seasonally adjusted 0.9 percent in December from a month earlier, bringing the growth of output for all of 1991 to the lowest level in five years, the Ministry of International Trade and Industry (MITI) said Tuesday. The December contraction in output at factories and mines followed a revised report of no growth for November and a 0.1 percent decline in October.

The December figure compared with the ministry's original estimate of 1.4 percent growth in output. The 0.9 percent month-on-month drop translates into an unadjusted 1.4 percent decline from a year earlier, the third consecutive yearly decrease. The December output figures brought to 2.1 percent the growth in industrial output last year, the lowest since 1986.

Eiichi Ono, chief of the ministry's Statistics Analysis Division, cautioned that the numbers were worse than they appeared because the 2.1 percent figure was distorted by a sharp rise in late 1989. If such a distortion was taken into account, output actually shrank 51 percent for the year, Ono said. He said a series of discount rate cuts by the Bank of Japan in November and December have had no "notable" effect on industrial output.

The December drop also left October-December output with a 0.9 percent decline from the preceding quarter and a 1.4 percent decline from a year earlier. December shipments were down 1.9 percent from November after seasonal factors were taken into account. Compared with the unadjusted figures, shipments declined 1.6 percent from a year before. Inventories continued to expand last month, posting a 1.6 percent monthly increase and a 12.8 percent jump from a year earlier.

Ono said companies are trying to curtail their output to stop the uptrend in inventories but they apparently have not caught up with a faster-than-expected drop in demand for their products. He also said it is rather unlikely that industrial output for the current fiscal year ending March 31 would reach the government estimate of 0.9 percent growth.

"To achieve the goal, March output needs to grow as much as 9.8 percent on a month-to-month basis under an assumption that January and February figures will be in line with our projections," he said. The ministry estimates industrial output growth in January of 0.3 percent and a contraction of 1.0 percent for February.

EPA Survey Shows Personal Consumption 'Robust'

OW2901075592 Tokyo KYODO in English 0735 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Personal consumption remains robust despite signs of slowdown in Japan's industrial activity, the Economic Planning Agency said Wednesday.

The agency, citing a recently conducted survey on industrial trends, said industries related to personal consumption posted steady growth, in contrast to declines or slowdowns in other industries.

For instance, the agency said, production of gasoline in October and November grew 5.9 percent and 6.6 percent, respectively, from year-earlier levels, while demand for fuel oil for industrial use declined 15.0 percent in September and 4.7 percent in October.

Sales of photo-sensitive materials for individual use posted year-on-year growth of 6.4 percent in September, 7.4 percent in October, and 9.6 percent in November, despite declines in sales of paints, printing ink, and synthetic rubber, it said.

In the transportation sector, sales by leading travel agencies continued to rise, spurred by growing demand for both domestic and overseas travels, while growth of domestic cargo transportation showed signs of leveling off.

A similar trend was detected in the electric power industry, with demand for household use remaining steady in contrast to a decline in demand for industrial use, the agency said.

Optoelectronic Output Rising 18% in FY 1991

OW2901090092 Tokyo KYODO in English 0828 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Production of optoelectronic products such as optical fibers and laser equipment will grow 18 percent in fiscal 1991, which ends March 31, from a year earlier to 3,726.2 billion yen, a trade group said Wednesday.

The Optoelectronic Industry and Technology Development Association described the projected growth as high despite being a slowdown from a 21 percent gain in fiscal 1990.

In a report based on a survey of 138 Japanese firms involved in optoelectronic products, the association cited brisk production of optical discs, which will register an 18 percent gain and account for roughly 40 percent of total output.

Growth will be particularly swift in optical disc equipment, showing a whopping 40 percent increase.

Production of video disc equipment such as laser [words indistinct] however, is seen falling 1 percent.

Among other products, production of optical devices used in display screens will increase 30 percent to 301.3 billion yen thanks to robust demand for liquid crystal displays.

Production of solar cells is seen growing 23 percent to 17 billion yen.

Businesses Urged To Lead in Social Contribution

OW2901092892 Tokyo KYODO in English 0919 GMT 29 Jan 92

[Text] Tokyo, Jan. 29 KYODO—Executives should take a leadership role in promoting social welfare contributions by Japanese firms, the Federation of Economic Organizations (Keidanren) said Wednesday in a report looking at corporate social behavior.

The nation's most powerful business lobby also urged the government to provide tax incentives to encourage corporate donations and appealed to employers to support their employees' volunteer activities.

Assessing the present corporate social activities, the federation said Japanese companies are aware of the need for social contributions but lag far behind their U.S. counterparts in action.

The federation's report is based on a survey conducted in July of 952 member firms, of which 357 or 37.5 percent responded.

According to the report, 40.9 percent of the pollees said their social contributions are average, representing the largest portion of the respondents.

It also showed 22.7 percent replied that their social contributions are moderately active, while 18.5 percent said they are active in contributing to society.

Only 2.2 percent described their efforts as passive.

Roughly half the [words indistinct] a need to create an in-house section in charge of contributions, the report said.

The report also found that only 7.8 percent set aside budgeted funds for social contributions.

Regarding the voluntary social activity of employees, 47.3 percent said they understand such activity but 40.9 percent replied that they took no particular measures to support it.

Yoshimasa Umemoto, who chairs Keidanren's panel on social contributions, said the respondents seemed to be those interested in social contributions but the findings suggest that Japanese companies are increasingly becoming concerned about social contributions.

"The question is to take action. Keidanren, for its part, will continue its efforts to promote social contributions with an aim to bring them comparable with the American contributions," he said.

Sanyo Firm Develops First Portable Fuel Cell

OW2901104592 Tokyo KYODO in English 0932 GMT 29 Jan 92

[Text] Osaka, Jan. 29 KYODO—Sanyo Electric Co. unveiled Wednesday a high-performance portable power supply system using phosphoric acid fuel cells, claimed to be the first of its kind in the world.

The Osaka-based electric equipment maker said the new system, weighing 28 kilograms, has output capacity of 250 watts.

The new system is environmentally friendly since it combines phosphoric acid fuel cells with a hydrogen-absorbing metal and it releases only water vapor, it said.

The system can be used as a lighting source for outdoor recreation such as video filming, it said.

The company said it plans to market the new power supply in about two years.

North Korea

Diplomatic Relations Established With Kazakhstan

SK2901045692 Pyongyang KCNA in English 0442 GMT 29 Jan 92

[Text] Pyongyang January 29 (KCNA)—A joint communique on the opening of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Kazakhstan was signed in Alma Ata Tuesday.

The Governments of the DPRK and the Republic of Kazakhstan agreed upon establishing diplomatic relations at ambassadorial level and exchanging diplomatic representatives to develop friendly and cooperative relations between the two countries in all fields on the principles of independence, equality, mutual benefit and non-interference in other's internal affairs, the communique says.

The communique was signed by Vice-Minister of Foreign Affairs Yi In-kyu authorized by the DPRK Government and by Foreign Minister Tolevtay Skakovich Suleymenov authorized by the Government of Kazakhstan.

Daily Says CIA Report to U.S. Senate 'False'

SK2801054792 Pyongyang KCNA in English 0452 GMT 28 Jan 92

["Unreasonable False Propaganda"—KCNA headline]

[Text] Pyongyang January 28 (KCNA)—Director of the U.S. Central Intelligence Agency [CIA] Gates told the Senate Armed Services Committee that "North Korea would develop nuclear weapons in two or three years."

Branding it as an unreasonable false propaganda, a NODONG SINMUN analyst today says:

Those who are capable of seeing the reality as it is and knowing what's what are disgusted at his utterances. Since the circumstances and conditions have been created for the settlement of the problem of signing the nuclear safeguards accord, our Republic decided to shortly sign it and accept a nuclear inspection by going through necessary procedures.

As a result, the fiction of "North Korea's nuclear development" went up in smoke.

The U.S. CIA director, however, brought forward again this worn-out fiction with the skill that he had shown in inventing fabrications against other countries through a streamlined system in a secret room of the CIA. This cannot be construed otherwise than a trick to put the brake on the process of the settlement of the nuclear problem which has been promoted with so much efforts on the Korean peninsula.

The U.S. ruling quarters are now getting overheated in false propaganda against the DPRK with a sinister political purpose.

With this smear campaign, they are seeking to impair the prestige and dignity of our Republic that is advancing under the uplifted banner of socialism, hamstring its influence, persuade people of the necessity of the U.S. forces' continuous presence in South Korea and justify their belligerent moves there.

Today when the structure of East-West cold war has collapsed, the U.S. military circles badly need pretexts for a steady increase of munitions production, the preservation of huge armed forces and the maintenance of their aggressive military bases overseas. The United States intends to justify such moves through the groundless propaganda about "North Korea's early nuclear weapons development".

The United States would be well advised to discard such bad habit as disparaging the dignity and sincerity of our Republic. We are not developing nuclear weapons and have no capacity to do it.

The United States must be mindful that those who plot to do harm to others with fabrications have nothing good to get.

U.S.-South Air Exercises for 27 Jan Reported

SK2901043792 Pyongyang KCNA in English 0414 GMT 29 Jan 92

[Text] Pyongyang January 29 (KCNA)—The U.S. Pacific Airforce Command Monday [27 January] committed provocative aerial war exercises in the sky above South Korea with a view to increasing the combat power of joint strike at the strategic targets in the northern half of Korea in case of "emergency," according to military sources.

Participating in the war exercises staged in the sky above Oeyon and Tokjok Islets and Yoju, South Korea were formations of fighter bombers and assault planes from the bases of Japan proper and the Pacific and warplanes of the U.S. Airforce present in South Korea and the puppet airforce, more than 300 in all.

Meanwhile, the South Korean puppets staged a naval landing operation exercise in the East Sea with the mobilization of scores of combatant ships and an offensive operation exercise against the north from the West Sea off Sosan under the support of flying groups.

On the same day, infantry units of South Korea took attack positions in Tongduchon, Chunchon and Hwachon and committed an offensive operation exercise for a total attack against our side in the area along the Military Demarcation Line under the support of tanks, armoured cars, artillery units, fighter bombers and assault planes.

In the meantime, the South Korean puppets fired dozens of shells toward the area adjoining to the Demilitarized Zone of the Military Demarcation Line and armed bandits of the puppet army fired hundreds of bullets with 12.7 mm machine guns and M-16 rifles.

A total of some 600 warplanes were mobilized in the war exercises against the northern half of the country in the sky above South Korea on January 27.

Talks Held With South on Subcommittee Formation

SK2901103692 Pyongyang KCNA in English 1024 GMT 29 Jan 92

[Text] Panmunjom January 29 (KCNA)—The second contact between delegates of the two sides to discuss the question of formation and operation of subcommittees of the inter-Korean high-level talks was held at the Tongil House in our side's portion of Panmunjom on January 29.

Present there were two delegates to the high level talks and suite members from each side.

Discussion continued at the contact on the question of the formation and operation of subcommittees of the inter-Korean high-level talks.

It was agreed to hold the next contact in the South side's portion of Panmunjom on February 7.

South's Efforts Toward Arms Buildup Denounced

SK2901042992 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 23 Jan 92

[Commentary by station commentator Chong Pong-kil: "Arms Buildup Maneuvers That Run Counter to Peace and Reunification"]

[Text] According to a foreign report from Seoul, the South Korean puppets are maneuvering to bring in 1 billion Francs worth of Mistral missiles from France.

In order to bring in this missile system, the puppet clique drew up a so-called three-step plan a long time ago and have accelerated implementation of this plan. The puppet clique recently signed a contract with the Matra Manurhin Defense weapons and electronics company in France as the first step in introducing missiles.

The puppet clique will bring in 3-4 billion francs in Mistral missiles over the next four to five years.

This is a premeditated arms buildup maneuver to challenge peace and reunification of the nation and is an unpardonable crime.

Today 70 million of our fellow countrymen and peace-loving people around the world desire the relaxation of confrontation on the Korean peninsula and its peaceful reunification. They want implementation of the agreement on reconciliation, nonaggression, and cooperation and exchange between the North and the South, which was adopted at the fifth North-South high-level talks.

More important in implementing the North-South agreement is to resolve the peace and military issues. The North and the South's most urgent task is to bring peace in our country. It is a priority for national reunification and the well being of the people.

A solution to the peace and the military issues above all is a demand of the situation on the Korean peninsula, a national desire, and a demand of the time. Therefore, we put forward the issue of nonaggression as one of important articles in adopting the North-South agreement and made persistent efforts for its realization.

With confirmation of nonaggression between the North and the South and with announcement of the Joint Declaration on Denuclearization of the Korean Peninsula, a new breakthrough opened in our country for easing the acute confrontation, preventing the danger of a new war, and ensuring durable peace in the nation.

Since the North and the South confirmed nonaggression, there is no need and no reason for them to compete against each other for victory and to consume the nation's strength and assets and the people's wealth over an insignificant confrontation between the same people.

Nevertheless, the No Tae-u group is wildly running amok with arms buildup maneuvers and spending an enormous amount of money that comes from the people's sweat and blood. The puppets' persistent adherence to arms buildup shows that they have no intention of implementing the North-South agreement and there is no change in the rascals' ambition for invading the North.

The No Tae-u group is, in actuality, more viciously adhering to new war preparations behind the curtain of the agreement. As soon as the North-South agreement was adopted, traitor No Tae-u busily toured the frontline bases of the puppet army and incited a fever for a northward war of aggression. He brought U.S. President Bush into South Korea, conspired for war, and begged for permanent occupation of South Korea by the U.S. imperialist aggressor forces, thus acting rashly.

In addition, since the beginning of this year, the No Tae-u group and the U.S. imperialists staged war exercises against us, mobilizing several hundred fighters. The No Tae-u group repeatedly committed such dangerous military provocations as shooting guns and rifles at our outposts in the Military Demarcation Line and its areas.

Because of the U.S. imperialists and the South Korean puppets' new war provocations, tension like that before the North-South agreement was adopted is prevailing in our country.

Even after the agreement has been adopted between the North and the South and they should provide preconditions for peace and peaceful reunification by implementing this agreement, the puppets continuously stage war exercises for northward invasion and are attempting to drag missiles bring in 1 billion francs as the first step of the plan they drew up to introduce the missile system. The puppets' maneuvers are an antinational, antipeace, and antireunification criminal act to lead the North-South relations toward aggravated tension and war.

The No Tae-u group should immediately discard the arms buildup that contradicts the nation's aspiration and desire and should take practical steps toward disarmament, including removal of mass lethal weapons and offensive capabilities as pointed out in the North-South agreement. This is the only way to promote national reconciliation and unity and to expedite national reunification.

The No Tae-u group should abandon its ambition for northward invasion and for reunification through victory over communism, which they will never achieve, and should join the trend of the time, which is advancement toward reunification.

Olympic Committee Delegation Departs for Meeting

SK2501104792 Pyongyang KCNA in English 1017 GMT 25 Jan 92

[Text] Pyongyang January 25 (KCNA)—A delegation of the Olympic Committee of the Democratic People's Republic of Korea led by its Vice-Chairman Hwang Pong-yong who is also vice-chairman of the State Commission of Physical Culture and Sports left for China today to participate in a consultative meeting of national Olympic committees of East Asian countries.

PRC Economic, Trade Delegation Concludes Visit

SK2901011892 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 27 Jan 92

[Text] The Chinese Government economic and trade delegation led by Wang Wendong, vice minister of foreign economic relations and trade, flew home on 27 January.

Kim Chong-u, vice minister of external economic affairs, and Zheng Yi, PRC ambassador to our country, saw the delegation off at the airport.

Envoy to China Urges Japan To Atone for 'Crimes'

SK2901075892 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 23 Jan 92

[Text] On 22 January, a press conference was held in our nation's Embassy in China in connection with the issue of compulsory recruitment of Korean women as comfort girls for the army by the Japanese imperialists during the World War II.

Present there were reporters from newspapers, news agencies and broadcasters in China and correspondents from many nations based in China.

At the press conference, Chu Chang-chun, our nation's Ambassador to China, made a statement.

He said: According to reports, materials revealing the forcible drafting of Korean women as comfort girls for the Japanese Army were discovered from documents kept in the documents storehouse of the Japanese Defense Agency and in the memorial hall for reclamation of Hokkaido in Sapporo City. During World War II, about 200,000 women were forcibly drafted in the name of comfort girls, and these girls were drafted from Korea which was under the Japanese rule.

He stated that the Japanese aggressor army drafted even primary school girls aging from 12 to 16 in Korea as comfort girls for the army. At a time when the truth of the issue of comfort girls for the army has been revealed to the world, arousing the indignation of world people, the Japanese Government authorities denied the existence of this issue at first and now say that they admit state responsibility. However, they said that the issue of comfort girls for the army is, in essence, different from the issue of war compensation and is an issue which should be dealt with in court, thus craftily maneuvering to evade responsibility for compensation. He stressed that no matter how earnestly Japan may apologize for the crimes it committed in the past, and even if it compensates for them, Japan cannot be exempted from responsibility for its crimes.

He stated that such an attitude by the Japanese Government authorities aroused the Korean people's indignation and that Japan, which caused great misfortune and pain for the people in Korea and Asian countries, has not made due apology and material compensation even now when a half century has passed since the end of the World War II. He stressed that this is an unpardonable act.

He pointed out that even at talks for normalization of DPRK-Japan diplomatic relations for the last one year, the Japanese Government authorities held that since material and manpower damages to the Korean people in the past were in accordance with laws, there is no legal basis for compensation for such damages and that only when legal evidence is presented, the Japanese Government will compensate. He stressed that such an allegation by the Japanese side is nonsensical and preposterous from the standpoint of not only international law but also morality and ethics.

He continued: Japan said that it has nothing to compensate for even while talking about compensation. This is a mockery against the Korean people and a shameless act. It is a fact proven by history that Japan's occupation of Korea was illegal and that during its 36-year period of occupation of Korea, Japan plundered enormous quantities of gold, silver, copper and iron, forcibly drafted a number of Koreans for military service and labor work and massacred many Korean people. Therefore, the Japanese Government authorities cannot deny the crimes committed by Japan against the Korean people and absolutely cannot evade the responsibility for compensation.

He pointed out that, prompted by its intention not to part from the past which is stained with crimes, Japan is shamelessly attempting to embellish and decorate its past acts and to evade historic responsibility. He then called on Japan to keenly realize its position and to liquidate its past with sincerity, thus making other people trust Japan.

He also urged Japan to atone for the unprecedented crimes it committed in the past and to act with discretion in order to correctly liquidate its past.

He then answered reporters' questions.

Japan Called on To Reflect on Past Deeds

SK2801104392 Pyongyang KCNA in English 1008 GMT 28 Jan 92

["No Justification for Japanese Imperialists' Past Colonial Rule Over Korea"—KCNA headline]

[Text] Pyongyang January 28 (KCNA)—The Japanese imperialists' colonial rule over Korea in the past can never be justified with anything. It was an undeniable aggressive act and an intolerable crime in view of international law.

Dr. Chu Yu-sun says this in an article contributed to NODONG SINMUN today.

If the problem of the normalization of Korea-Japan relations is to be settled properly, it is necessary to correctly estimate the relations between the two countries in the past and make a start from this, the author says, and continues:

The relations between Korea and Japan in the past were, in every respect, relations between an aggressor and a victim of aggression. Japan invaded our country and the latter fell a victim to its aggression in the past. Therefore, the improvement of the bilateral relations is, in essence, a matter of liquidating the mistaken past between the two countries and developing new good neighbourly relations in the interests of the two peoples and in keeping with the requirements of the time.

If this problem is to be solved, first of all, Japan must sincerely reflect on its past doings. The Japanese authorities, however, often defend Japan's past doings, failing to take a sincere stand of honestly reflecting on them.

The inhumane massacre and looting by the Japanese imperialists during their colonial rule over Korea are indelible down through generations. In face of hard historical fact, they cannot dare say their past doings were just.

Hence, the joint declaration of the Workers' Party of Korea, the Liberal Democratic Party and the Social-Democratic Party of Japan says that Japan must "officially apologize and fully compensate" to the DPRK for the immeasurable sufferings and misfortunes it imposed on the Korean people in the past. Former Japanese Prime Minister Kaifu expressed his will to the same effect in his personal letter to the great leader Comrade Kim Il-song.

That the Japanese imperialists' colonial rule over Korea was illegal is proved by the "Japan-Korea annexation treaty" and other unequal treaties, the then "law" and other evil laws, the author notes, and stresses:

To infringe upon other country's sovereignty by force of arms is aggression and a crime in view of international law. This is specified in Article 1 of "Treaty on the Definition of Aggression" adopted at the UN General Assembly on December 14, 1974.

No one can deny that all the unequal treaties are illegal and null and void. It goes without saying that the aggressive treaty faked up by an open coercion backed by armed forces is a criminal document with no legal effect.

The Japanese imperialist occupiers who held all powers in Korea, in actuality, did not enforce laws but resorted to military suppression as the occupation forces.

The "law" under the governor general rule was a means of suppression and plunder and a pronoun of the colonial rule for oppression and looting.

Kim Il-song Greets ASEAN Leaders' Summit

SK2601091492 Pyongyang KCNA in English 0837 GMT 26 Jan 92

[Text] Pyongyang January 26 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to the fourth meeting of heads of government of ASEAN countries.

The message says:

The ASEAN has played an important role in its work for realizing multi-faceted cooperation among nations, turning Southeast Asia into a peaceful, free and neutral zone and preserving peace and stability in this region.

Asia is now entering into a new stage of its development and, if the Asian nations unite and closely cooperate with each other, they will be able to attain security of Asia and their common prosperity.

The DPRK Government and the Korean people will in the future, too, strengthen unity and cooperation with the peoples of Southeast Asian countries in order to built a new Asia, independent, peaceful and prosperous, in accordance with the ideal of independence, peace and friendship.

I sincerely hope that the current meeting will successfully discuss the problems raised and bear a fine fruit in compliance with the requirements of the developing present situation.

Kim Il-song Receives Reply Message From Castro

SK2801154692 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 24 Jan 92

[Text] The great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and DPRK president, received a reply message for sending a congratulatory message to Comrade Fidel Castro Ruz, first secretary of the Cuban Communist Party [CCP] Central Committee and president of the State Council and prime minister of the Republic of Cuba, on the occasion of the 33d anniversary of the victory of the Cuban revolution.

The reply message is as follows:

Pyongyang.

To Comrade Kim Il-song, general secretary of the WPK Central Committee and DPRK president:

I appreciate your warm congratulatory message on the 33d anniversary of the victory of the Cuban revolution.

I assure you again of our steadfast will to further strengthen the friendly and cooperative relations between the people, the parties, and the governments of our two countries.

I pray for the well-being of the DPRK people and also truly wish you happiness and great results in your work.

I take this opportunity to express again my loftiest respect for you.

[Signed] Fidel Castro Ruz, first secretary of the CCP Central Committee and president of the State Council and prime minister of the Republic of Cuba

[Dated] 20 January 1992, Havana

Daily: 'Imperialists' Obscure Truth of Socialism

SK2901105592 Pyongyang KCNA in English 1004 GMT 29 Jan 92

["Truth of Socialism Can Never Be Obliterated"—KCNA headline]

[Text] Pyongyang January 29 (KCNA)—NODONG SINMUN in a by-lined article today stresses that the imperialists can neither impair the truth of socialist nor conceal their totalitarian reactionary nature by their false propaganda.

Claiming that socialism has collapsed in some countries in recent years because it was a "totalitarian society," the imperialists and their mouthpieces are now painting "capitalism" as a "successful welfare society," the article says, and goes on:

This is a crafty trick to reverse the truth and mislead and hoodwink public opinion and a link in the chain of their offensive to obliterate the truth of socialism and stem the revolutionary progress of the world's progressive people who aspire after socialism.

Totalitarianism on the lips of the imperialist countries, the fascist states, is in essence, a reactionary idea of defending the interests of the bourgeois states and monopoly capitalists at the sacrifice of the interests of the working class and other laboring masses.

The reactionary nature of totalitarianism lies in that it defends the interests of a handful of the privileged quarters at the sacrifice of the interests of the working masses. Such political formula is one peculiar to the capitalist system under which the "state" reigns over the popular masses and oppresses them and class antagonism and contradictions are the essential qualities of society.

The talk of the imperialists and their mouthpieces about socialism being a "totalitarian one" is an absolute baloney. In socialist society the interests of individuals and collectives, and individuals and the state are integrated into one.

Socialist society in which unity and cooperation are basic to social relations has nothing to do with totalitarianism.

The reality of our country where the people enjoy genuine rights and freedom as masters of the state and society clearly proves how preposterous the imperialists' moves to discredit the truth of socialism are.

The reactionary nature of totalitarianism can also be seen in the fact that it extremely restricts the development of the individual character of people.

The development of the individual character of people is possible only in socialist society in which the people are the masters of the country and everything is made to serve for their independent and creative life.

By contrast, capitalism is an anti-human society which has no social conditions for the development of the individual character of people but ruthlessly tramples upon it.

Noting that the totalitarian color of capitalist countries is concentrically seen in the fact that they strengthen bourgeois dictatorship and pursue despotic politics, the article says totalitarian politics is characterized by arbitrariness, tyranny and fascist dictatorship.

Preconditions for Peaceful Reunification Urged

SK2501100692 Pyongyang Korean Central Broadcasting Network in Korean 0200 GMT 22 Jan 92

[Unattributed talk: "Providing Preconditions for Peaceful Reunification Is Urgent Issue in Achieving National Reunification"]

[Text] In the historic New Year address this year, the great leader Comrade Kim Il-song summed up the great advance made last year in the struggle to achieve national reunification. He elucidated policies and tasks for opening a decisive phase for resolving the issue of the nation's reunification.

The great leader said that the important question which should be resolved with priority in achieving national reunification is providing preconditions for peaceful reunification.

The great leader Comrade Kim Il-song has taught: The important question which should be resolved with priority in achieving the national reunification is to provide preconditions for peaceful reunification.

Today the clouds of nuclear war are heavily hanging over our people's heads, and peace on the Korean peninsula faces a grave threat. Nothing is more precious and urgent than peace for our people, who have not been able to eliminate the worries of a nuclear war.

If a war breaks out in our country, the nation's very existence will be endangered, never mind national reunification. Unless we resolve the issue of peace, we cannot rescue the nation from the danger of nuclear war, and unless we remove the military confrontation, we cannot achieve national reconciliation and unity nor can we realize cooperation and exchange. This shows that the issue of peace on the Korean peninsula is the most urgent task which the North and the South should resolve with priority for the nation's reunification and for peace for the people.

In the past, proceeding from the importance and urgency of resolving the issue of ensuring peace on the Korean peninsula, our party and the government of the Republic offered a number of peace proposals and made every effort to realize them. In particular, we recently proposed the North-South high-level talks, giving priority to resolving the issue of peace and the military issue. We also stated a proposal for removing military confrontation which includes the adoption of a nonaggression declaration. Thus, we made sincere efforts to resolve this.

An important agreement containing a definite promise for nonaggression was adopted during the fifth round of North-South high-level talks last year. This was a victory of the peace line over the war line.

Last year the North and the South promised nonaggression and confirmed the common will to resolve the Korean peninsula's nuclear issue. Thus, a new breakthrough was opened in our country for easing tension, preventing the danger of a new war, and guaranteeing durable peace for the nation.

In the New Year address this year, the great leader stressed that under the condition of an agreement being reached on nonaggression between the North and the South, establishing practical measures for guaranteeing peace on the Korean peninsula and providing preconditions for peaceful reunification are of utmost importance. He also pointed out that the North and the South should make every effort to realize disarmament, to ease tension, and to turn the Korean peninsula into a nuclear-free peace zone in compliance with the spirit of the agreement.

As is clear to everyone, if the agreement, no matter how excellent it may be, is not put into practice, it would be merely blank paper. In order for the North and the South to sincerely implement the promise of nonaggression, they should abandon the use of arms against the other side, as elucidated in the agreement, and should peacefully resolve the differences in views and disputes through dialogue and negotiations. They should urgently take measures for building military trust and for realizing disarmament.

The South Korean authorities should permanently abandon the Team Spirit joint military exercise. On 7 January, the United States and the South Korean authorities jointly announced that they decided to suspend the 1992 Team Spirit joint military exercise. This is an important victory of the peaceloving domestic and foreign policies that our party and our state consistently maintained in order to remove the danger of nuclear war on the Korean peninsula, to ease tension, which had reached an extreme point, to provide preconditions favorable for peace and the nation's peaceful reunification, and to tenaciously defend the national sovereignty and our socialist system. This is also a victory attained by all the Korean people through a long, arduous struggle to achieve these policies.

As for the Team Spirit joint military exercises, which began in 1976, this is part of the United States and the South Korean authorities' policy for aggression and war, and is a preliminary war and test nuclear war against our Republic. This is why we demanded consistently and strongly for the 16 years since the Team Spirit joint military exercise began up to now that the United States and South Korea suspend this adventurous war exercise. However, in defiance of our repeated demand, the South Korean authorities, along with the United States, expanded each year the Team Spirit joint military exercise. As a result, dark clouds of war heavily hung over the Korean peninsula, and the North-South dialogue, which had been smoothly carried on, was suspended. It is natural that this has been denounced by all fellow countrymen who desire peace and peaceful reunification of the nation and have been criticized by peaceloving people of the world.

In view of the nation's aspiration for peace and peaceful reunification and of peace in Asia and the world, the Team Spirit joint military exercises should have been suspended a long time ago.

In order for the South Korean authorities to provide preconditions for peaceful reunification, they should give up the Team Spirit joint military exercise forever, not only this year. This exercise runs counter to national reconciliation and unity and to the nation's peace and peaceful reunification. They should also take epoch-making steps for suspending all other large-scale military exercises, including one codenamed Eagle, which they and outside forces staged against the same people.

In the New Year address, the great leader taught that the relevant countries should honor the spirit of the agreement adopted between the North and the South and should actively help our people resolve the issue of national reunification independently and peacefully.

The issue of Korea's reunification is historically linked to international relations. From the outset, our nation's division was caused by outside forces, and the relevant countries responsible for this have a moral mission to deservedly help our people resolve the issue of national reunification independently and peacefully.

However, the imperialists and reactionaries, including the United States, have continued the scandalous acts of pouring cold water and disturbing our nation's reunification, instead of acting favorably.

In recent years, the United States has intensified maneuvers for aggression and war, stating that the Korean peninsula is the place where the danger of war is the heaviest in the world. It has advanced along the road of further straining the situation on the Korean peninsula.

Even last year, at a time when the important North-South agreement was about to be adopted, the United States, along with the puppets, staged the Team Spirit joint military exercise for many months, and conducted a joint military exercise codenamed Eagle-91, which was a comprehensive nuclear offensive exercise against the North.

In addition, U.S. and South Korean military leaders conspired for war when the adoption of the North-South agreement was near at hand, and mutually signed the so-called wartime support agreement, which normally is to be concluded in time of war or on the eve of war.

Moreover, they applied pressure on us by raising the issue of nuclear inspection, thus unhesitantly acting unpardonably.

In actuality, the issue of nuclear inspection in our country has been raised not only as one concerning the fulfillment of the obligation according to the Nuclear Nonproliferation Treaty but also as a vital issue linked to our nation's destiny.

The issue of nuclear inspection has not been resolved even now but only expanded as a more complicated issue. Of late, the United States and the South Korean authorities arrogantly said that they would militarily attack our Republic, which has neither the intention nor capability to develop nuclear weapons, thus reaching a grave stage.

We have consistently maintained that for fair resolution of the nuclear inspection issue, the U.S. nuclear weapons deployed in South Korea must be completely withdrawn and the inspection of our peaceful nuclear facilities and the U.S. nuclear bases in South Korea should be simultaneously conducted.

It is inconceivable that due to someone else's pressure, we do not do what we should or we do what we should not do. Our position as such has aroused active support and sympathy from all of the Korean people and the world's people who view the reality fairly and impartially.

The United States finally put forward a plan for the withdrawal of tactical nuclear weapons. It withdrew its nuclear weapons which were actually deployed in South Korea after indirectly admitting their existence there. Thus, the United States was forced to accept a simultaneous inspection, which it had persistently opposed in the past, and to respond to the proposal for negotiations on this.

The South Korean authorities accepted some contents of our denuclearization proposal and came to agree with us on the denuclearization declaration. With the U.S. and South Korean authorities' acceptance of our demand, a road is open for us to sign the nuclear safeguards accord.

At a time when the East-West confrontational relations have been demolished and our people's spirit for peaceful reunification has been unprecedentedly enhanced, dealing with Korean issue by standing on the position of might is an anachronistic way of thinking. The United States should discard the outdated outlook of the cold war era in conformity with the trend of the times toward independence and detente.

Our people's will is an iron-clad firm will to resolve the issue of national reunification independently and peacefully by upholding the policy for national reunification elucidated by the great leader Comrade Kim Il-song in the New Year address.

Our people's just struggle for peaceful and reunified Korea free from domination and interference of outside forces will win victory without fail.

Council Adopts Decision on Irrigation, Fertilizer

SK2801144692 Pyongyang MINJU CHOSON in Korean 25 Dec 91 p 1

[Text] The State Administration Council has recently adopted a decision to implement the Central People's Committee decision on completing dry fields irrigation work at a high level, supplying chemical fertilizers properly, and effecting new upsurges in agricultural production.

Dear leader Comrade Kim Chong-il has noted: It is the party members' and working people's sacred duty to fulfill the leader's teachings and party policies.

The State Administration Council decision sets various working measures, stressing that completing dry fields irrigation work at a high level, supplying chemical fertilizers properly, and effecting new upsurges in agricultural production are important tasks of the policy to fulfill the noble intent of the party and leader to make our people live even more affluently.

The State Administration Council decision, above all, significantly urges that the dry fields irrigation work be done vigorously through a mass movement of all people. It sets dry fields irrigation goals which should be attained by 15 April next year and lists tasks to increase the irrigation rate of corn fields. The decision specifically points out the basic issues to be settled in solving the problems of water resources, power, facilities, materials, and manpower and in completing dry fields irrigation projects.

In connection with securing enough water resources and enough power supplies, the decision specifically lists tasks to complete the construction of water channels between the Sohae Lockgate and Ullyul and Kwail, and water channels between other areas, and the constructions of lakes, water pumping stations, dams, ponds, pools, and wells through a mass movement of all people to complete dry fields irrigation projects at a high level and to secure enough water supplies for next year's farming. The decision also specifically urged that there be sufficient power supplies and sprinkler supplies for dry fields irrigation.

In connection with facilities, materials, and manpower needed for dry fields irrigation, the decision urges the relevant committees, ministries, and agencies of the State Administration Council and enterprises to ensure the production and supply of sprinklers, water pumps, motors, and transformers before the farming season according to plans and, toward this end, to assume the responsibilities for producing and supplying steel plates and carbon steel plates, which are materials needed in motors and transformers, electrolytic copper, cement, logs, hoses, crude rubber, synthetic rubber, and vinyl chloride. The decision also urges the Committee of Agriculture, the provincial administrative and economic guidance committees, and other relevant provincial agencies to correctly assign dry fields irrigation projects to organizations and enterprises in their provinces and to ensure that they finish their projects in the way of a total battle by fully mobilizing manpower and facilities, by setting priorities correctly, and, with the supply of facilities available, by giving priority to those projects that require less investment but will produce immediate results.

Then, the State Administration Council decision discusses the questions related to the measures to ensure the proper production and supply of chemical fertilizers, agricultural medicines, and other materials needed in the rural economy.

The decision lists tasks to decisively increase per-chongbo grain production through the application of enough fertilizers to paddy and dry fields. Per-chongbo fertilization plans were also established to apply nitrogenous, phosphorous, and potash fertilizers to paddy fields, corn fields, vegetable fields, and orchards, and agricultural production goals were accordingly established. According to the decision, the amounts of nitrogenous, phosphorous, and potash fertilizers which should be supplied to the agricultural sector in the fertilizing year have been decided and the measures have been formulated to ensure the supply of those fertilizers.

The State Administration Council decision also urges the functionaries of state economic organs to plan economic organizational work meticulously and to fulfill the demands of the chuche farming method in all their farm work to complete dry fields irrigation at a high level, supply fertilizers properly, and effect new upsurges in agricultural production.

The decision urges the enhancement of the roles of the supervision and control organs in carrying out these tasks. It also urges the committees and ministries of the State Administration Council, provincial administrative and economic guidance committees, and other relevant organizations to develop specific measures to accomplish these tasks.

Cement Production, Industry Upsurge Profiled

SK2801152292 Pyongyang KCNA in English 1500 GMT 28 Jan 92

[Text] Pyongyang January 28 (KCNA)—A constant upswing in production is maintained at the cement production bases of Korea.

According to data available at the Ministry of Building-Materials Industry, the cement output by January 20 was 20 percent up on that in the like period of the previous month.

The cement industry is rapidly developing in Korea.

The nation's cement industry which started almost from scratch after the liberation of the country (August 15, 1945) has made a rapid progress under the energetic guidance of the great leader President Kim Il-song.

President Kim Il-song put forward a policy of developing the cement industry by pushing ahead with the construction of large central and minor local cement factories in parallel and a policy of incorporating automation and remote control in production processes and indicated the direction and ways of developing the cement industry, personally visited cement factories and took measures to radically increase production.

Cement factories and enterprises of national economic value such as the February 8, Chonnaeri and Sunghori Cement Factories were reconstructed on an extensive scale and a large number of minor ones built up in different places of the country in the late 1950s and in the early 1960s.

As a result, the cement production increased 133 times in 1970 as compared with 1953, thus catching up with and leaving behind developed industrial nations in per capita output.

The Sunchon cement complex with a capacity of 3 million tons and the Sangwon cement complex with a capacity of 2 million tons were built later to more fully meet the needs of the national economy for cement.

At present, there are some 10 large cement factories and more than 200 minor ones in the country.

The modernization of the cement industry has been energetically promoted, with the result that production processes have been automated and remote-controlled.

Korea annually produced 13.5 milion tons toward the close of the 1980s to be used for general construction and construction of dams, harbours and so on.

Korea's cement industry is now creditably guaranteeing the vast capital construction.

And a large amount of cement is exported.

New Scientific, Technological Developments Noted

SK2801153892 Pyongyang KCNA in English 1512 GMT 28 Jan 92

[Text] Pyongyang January 28 (KCNA)—The "February 17 Shock Brigade of Scientists and Technicians" dispatched to the April 3 machine tool complex recently caused a big stir in the scientific circles by making a distinguished contribution to the development of the nation's electronic and automation industry.

The shock brigade succeeded in developing and mass-producing more than 260 kinds of midget and highly efficient electronic elements and numerical control devices intended for numerical control machine tools of latest type.

This has opened up a definite prospect for the serial production of the numerical control lathe (Kusong-104), the numerical control multi-purpose machine tool and other numerical control machine tools.

The "February 17 Shock Brigade of Scientists and Technicians" was formed on February 17, 1978, and sent to different sectors of the national economy. It involves scientists and technicians with know-how of various domains and rich experience at scientific institutes, commissions and ministries of the Administration Council and factories and enterprises.

They have solved many important scientific and technological problems arising in the chuche-orientation, modernisation and scientisation of the national economy.

The teams of this shock brigade sent to different parts of the country completed some 500 significant subjects of scientific and technical researches last year.

A noteworthy success of them is a new flexible production system developed and introduced by the shock brigade sent to the Huichon machine tool complex. All the processes of the system made of numerical control machine tools are computerized from the carriage of materials to the processing, completion and checkup.

The flexible production system has a product on capacity 5 to 6 times the previous assembling line and guarantees a precision of one-thousandth of a millimeter.

The scientists and technicians active at the Wonsan Ship Repair Plant has [as received] developed metal heat treatment by laser. This has increased the surface hardness of metals some four times and the abrasion-resisting rate 10 times.

The Kim Chong-tae electric locomotive complex has developed a new-type 100-ton wagon and a 7,000 hp [horsepower] 8-axle electric locomotive and built processes for their serial production.

The scientists and technicians sent to the Myohyangsan Medical Appliances Factory have developed a universal dental treatment apparatus, an incubator, an all-purpose operating table and many other apparatuses of latest type.

The Komdok mining complex, a leading nonferrous metal ore producer, computerized the 2.5 million ton-capacity production process of the first system of ore dressing plant No. 3 and the management activies, thereby raising the ore crushing capacity 2.5 times and increasing the actual extraction rate of lead and zinc three percent.

Thanks to the activities of the "February 17 Shock Brigade of Scientists and Technicians" an alloy steel needed for the production of special bearings and precision and micro alloy steel of various kinds have been developed and put into mass production and uptodate machine manufacturing technologies for the production of a small-size multi-purpose coal cutting machine, a combined rice harvester, laser processing machine, etc. have been developed.

KCNA Reviews Pyongyang Press for 29 Jan

SK2901060192 Pyongyang KCNA in English 0444 GMT 29 Jan 92

[Press review]

[Text] Pyongyang January 29 (KCNA)—Papers here today report that medals of Montijo City, Setubal Province of Portugal were awarded to the great leader President Kim Il-song on his 80th birthday and to the dear leader Comrade Kim Chong-il on his 50th birthday.

Papers frontpage a report that Comrade Kim Chong-il sent reply letters to the members of the party cells of Chair No. 1 of the Revolutionary History of Comrade Kim Il-song of the History Department and the Acoustics Chair of the Physics Department of Kim Il-song University.

Papers report that a meeting to mark the 30th anniversary of President Kim Il-song's guidance of a general meeting of the Komidae party cell in Ohyon-ri, Yonan County, was held on the spot.

Seen in NODONG SINMUN is an article on the wise guidance of President Kim Il-song and Comrade Kim Chong-il in effecting a new turn in the party work in the countryside.

Printed in papers is a congratulatory message from the general secretary of the Central Committee of the Communist Party of Malta to Comrade Kim Chong-il on his election as supreme commander of the Korean People's Army.

NODONG SINMUN says that Comrade Kim Chong-il has shown great favours to turn the Miru plain of Singye County, North Hwanghae Province, into a fertile field.

It is reported in papers that DPRK book and photo exhibitions and film shows were held in different countries to mark the 50th birthday of Comrade Kim Chong-il.

Papers convey words of foreigners deeply revering Comrade Kim Chong-il.

NODONG SINMUN reports that solidarity letters have come to the Central Committee of the Workers' Party of korea from many countries in support of the new national reunification proposal advanced by President Kim Il-song in his New Year address and carries a message from the Central Committee of the Congolese Labour Party on the adoption of the inter-Korean agreement.

Papers report that thanks of the Central Committee of the Workers' Party of Korea was conveyed to the medical workers of the hospital attached to Pyongyang University of Medicine who saved three persons from crititical conditions and sincerely treated them so that they could return to their posts.

Appearing in papers is a report that a joint communique on the establishment of diplomatic relations between the DPRK and the Republic of Kazakstan signed in Alma-Ata.

Papers inform the readers that the head of party and state of Laos met with the DPRK foreign minister and the Indian president and the chairman of the Workers' Party of Switzerland met with DPRK ambassadors to their countries and the DPRK ambassador paid a courtesy call on the general secretary of the United National Independence Party of Zambia.

A DPRK Government delegation left Pyongyang to attend the sixth intergovernmental talks for the normalisation of DPRK-Japan diplomatic relations to be held in China, according to papers.

Papers quote foreign political and public circles as stating that the independent stand is the fundamental stand that must be maintained in achieving Korea's reunification.

NODONG SINMUN in a commentary brands the "treaty" and agreements signed by the South Korean puppets and the Japanese reactionaries in 1965 under the manipulation of the U.S. imperialists as treacherous and aggressive.

A joint statement was adopted at a meeting of foreign ministers of nordic countries in support of the agreement on reconciliation, nonaggression, cooperation and exchange between the North and the South and the joint declaration on the denuclearisation of the Korean peninsula, says the press.

An article of NODONG SINMUN says that democracy is ruthlessly stifled in South Korea under the No Tae-u military fascist rule.

The paper carries the first part of the anti-American book published in South Korea under the title "*Independence Declaration of 40 Million Koreans for the Expulsion of U.S. Military Bases—Only When You Go, Can We Survive.*"

Included in the South Korean news columns of the press is a report that the National Council of Trade Unions joined the National Alliance for Democracy and National Reunification.

NODONG SINMUN runs an article on Japan rushing headlong toward nuclear armament and an article on the insincere attitude of the Japanese authorities toward the problem of "comfort women for the army".

The daily comes out with an article declaring that with no false propaganda can the imperialists obliterate the truth of socialism.

It is reported in papers that the fourth meeting of heads of government of the ASEAN opened, India celebrated the day of the republic, the Nigerian president mentioned South-South cooperation, China and Laos signed a border pact, Cuba signed trade agreements with different countries, Albania and Czechoslovakia signed a trade agreement, the Philippine president said "security guarantee" of the United States is no more needed and Yugoslavia claimed reparation from Germany and members of anti-government groups gave in to the government in Afghanistan.

South Korea

Seoul, U.S. Propose 'Trial' Nuclear Inspection

SK2901055892 Seoul CHOSON ILBO in Korean 29 Jan 92 p 1

[Text] It was learned on 28 January that the ROK and the United States proposed to North Korea that a trial inspection of nuclear facilities in the North and South, including the one in Yongbyon, be conducted before North-South summit talks take place.

The U.S. Government notified North Korea of this position taken by the ROK and the United States during its 22 January contact with North Korea in New York and that the U.S. Government also told North Korea that this inspection must be conducted before 19 March, when the North-South Korean nuclear control committee will be formed as the result of the effectuation of the North-South joint denuclearization declaration. An ROK Government source said that this means that North-South summit talks will not take place before 19 March.

This source also said: "This trial inspection, proposed by the ROK and the United States, is separate from the international nuclear inspection by the International Atomic Energy Agency [IAEA] or mutual inspections that North and South Korea agreed upon in its joint denuclearization declaration. Given North Korea's speedy nuclear development, we advanced this proposal to prevent it from concealing nuclear materials." He also said: "North Korea is likely to have nuclear reprocessing facilities around May at the earliest, and in this case it would be easy for it to conceal nuclear facilities. Therefore, the ROK and the United States proposed a trial inspection before conducting the IAEA inspection or mutual inspections that require various procedures."

This source also said: "A major topic in North-South summit talks will be probing ways to achieve reunification. Therefore, it is natural that a trial inspection be conducted before North-South summit talks." He also said: "We are planning to discuss ways to conduct the trial inspection and its timing with North Korea at the contact of delegates in Panmunjom on 29 January." He also said: "During its contact of counselors with North Korea in Beijing sometime in February, the United States will again ask North Korea whether it will accept the proposal for the trial inspection." He also said: "I know that the United States proposed to North Korea that if the trial inspected is conducted smoothly, it hold assistant minister-level [as published] contact between it and North Korea on a regular basis and that the issue of normalizing bilateral relations be discussed during this contact."

North Asks for Investment From Koreans in U.S.

SK2801125192 Seoul YONHAP in English 0638 GMT 28 Jan 92

[Text] Los Angeles, California, Jan. 28 (YONHAP)—North Korea, its economy in dire straights, has appealed to Koreans living in the United States to join the investment and development project of the great triangular economic special zone connecting Sonbong, Najin and Chongjin in North Hamkyong Province, the head of the Koryo Research Institute said Monday.

Kim Ha-un, chief of the institute, which is a channel for communication between North Korea and Koreans in Los Angeles, said that Vice Prime Minister Kim Tal-hyon told him during a recent trip to Pyongyang that North Korea would completely open all of its doors to investment by overseas Koreans.

Kim said the North American Association for Unification of the Fatherland was in charge of accepting investment applications.

North Korea wanted investment in almost every light and heavy industry, ranging from aviation, port and railroad to daily necessities, tourist resorts and construction of communication and education facilities, he said.

Pyongyang was particularly desperate to involve Korean-Americans in the development of tour businesses and light industries in the Tuman River area, Kim said.

High-Level Talks in Panmunjom Continue

Discuss Forming Subcommittees

SK2901032892 Seoul KBS-1 Radio Network in Korean 0300 GMT 29 Jan 92

[Text] The North and the South held the second round of delegates contacts to the high-level talks in Tongilgak in the North side's area of Panmunjom at 1000 [0100 GMT] this morning. They discussed the formation and operation of three subcommittees, including political, military, and exchange and cooperation, according to the North-South agreement.

At today's contact the two sides negotiated plans presented by both sides during the 23 January contact. Although the result of discussions has not yet been revealed, they showed no distinct differences in essential views. Thus, it appears that the possibility of settlement is great.

On the issue of forming subcommittees, our side proposed during the last contact that the committee be composed of seven members from each side, including the delegates to the high-level talks, and that the delegates to the high-level talks be nominated as cochairmen.

Fail To Reach Agreement

SK2901074992 Seoul KBS-1 Radio Network in Korean 0730 GMT 29 Jan 92

[Text] The North and South had a contact of delegates to the high-level talks in Tongilgak, an area on the North's side, today and discussed the formation and operation of political, military, and exchange and cooperation subcommittees. They failed to reach an agreement due to differences in views, however. As a result, the North and South agreed to hold the third delegates contact in Panmunjom on 7 February to discuss the issue of adopting agreements on the formation and operation of subcommittees.

Monthly Meetings Planned

SK2901110492 Seoul YONHAP in English 1050 GMT 29 Jan 92

[Text] Seoul, Jan. 29 (OANA-YONHAP)—South and North Korea decided Wednesday to hold meetings of political, military, and exchange-cooperation subcommittees monthly at Panmunjom or other places mutually agreed on.

The agreement came in a meeting of delegates to the high-level talks held at Panmunjom.

But they failed to narrow differences on the quorum of the each subcommittee, Yi Tong-pok, spokesman for the southern delegation to the inter-Korean high-level talks, said.

The South suggested that each subcommittee be composed of seven members, including two delegates to the high-level talks, on each side and that specialized panels be set up under direct control of the subcommittees if necessary.

But the North was opposed to the idea of having the panels and demanded that all subcommittees have five members from each side.

The South proposed that both sides conduct pilot inspections on a U.S. air base near Kunsan in South Korea and nuclear facilities in Yongbyon in the North by the end of February, separately from the formal simultaneous inspections, which will be started after an inter-Korean nuclear committee was organized.

The southern officials demanded that discussions on the creation and operation of the inter-Korean nuclear committee be started in early February, Yi said.

North Korea asserted that the issue of forming a nuclear committee should be discussed after the declaration of a non-nuclear Korean peninsula entered into force during the sixth round of inter-Korean high-level talks in Pyongyang on Feb. 19.

The northern side counterpropsed that the inspections, whether pilot or full-scope, should be conducted in compliance with decisions to be made by the joint nuclear committee.

"We proposed pilot inspections to North Korea to build up knowhow on nuclear inspections and get rid of suspicions of North Korea's nuclear weapons development," Yi said.

Yi said that no discussion was made on summit talks between presidents of South and North Korea. He noted that the prime ministers had exchanged their views on the need to have the summit in their talks.

"It is technically difficult to hold the summit meeting by the middle of March," Yi said, adding "the government is not going to link the summit to the pilot nuclear inspections."

Both sides will have another contact at the southern section of Panmunjom on Feb. 7 to resume talks on the pilot inspections and creation of subcommittees.

Vice Unification Minister Yim Tong-won and Yi represented the southern side, and roving ambassador Choe U-chin and Kim Yong-chol, vice minister of the people's Armed Forces, sat on the northern side.

DPRK Minister Arrives To Sign IAEA Accords

SK2901040192 Seoul KBS-1 Radio Network in Korean 0300 GMT 29 Jan 92

[YONHAP from Vienna]

[Text] North Korea will sign the nuclear safeguards accord with the International Atomic Energy Agency [IAEA] tomorrow.

A North Korean delegation led by Hong Kun-pyo, North Korean vice minister of atomic energy industry, arrived yesterday as scheduled in Vienna, Austria, where the IAEA is based. It is expected that upon signing the nuclear safeguards accord tomorrow, seven years after it subscribed to the Nuclear Nonproliferation Treaty, it will deliver the ratified accord to the IAEA sometime next month after completing ratification procedures at home.

The IAEA has not set a deadline for the ratification. It is believed that North Korean President Kim Il-song, who has the right of ratification, will not withhold ratification longer than commonly thought, however. If the nuclear safeguards accord becomes effective sometime next month, North Korea must hand in a report on its possession of nuclear materials to the IAEA by the end of March, and, based on this report, the IAEA and North

Korea will complete preparations for the nuclear inspection, including the signing of an auxiliary agreement on the procedure and method of nuclear inspection.

N-S Nuclear Power Plants in DMZ Promoted

SK2901012092 Seoul THE KOREA TIMES in English 29 Jan 92 p 1

[Text] The government is pushing ahead with a South-North Korean joint project to build two nuclear power plants with a capacity of one million kilowatt each in the Demilitarized Zone (DMZ) bisecting the Korean peninsula.

According to government sources yesterday, electricity to be produced in the proposed power plants will be consumed jointly by South and North Korea.

As a first step toward building the atomic power stations in the DMZ, the government is considering constructing a 500,000-kw thermal power plant in a nearby site, the sources said.

The building of the power stations in the DMZ will help South Korea cope with difficulties in finding nuclear sites in the southern half of the peninsula, according to the sources.

North Korea is also expected to welcome the plan because it has been suffering from serious power shortages recently.

The sources cited areas near Kosung on the eastern coast and Changdan on the western coast as possible candidate sites for the atomic power stations.

North Korea reportedly called for Seoul's cooperation in easing energy and power shortages recently.

The sources cited as possible candidate sites for the atomic power stations areas near Kosung on the eastern coast and Changdan on the western coast.

North Korea reportedly called for Seoul's cooperation in easing energy and power shortages when Daewoo Group Chairman Kim U-chung visited Pyongyang.

Premier-Level Talks To Continue 15 Feb

SK2901022292 Seoul YONHAP in English 0204 GMT 29 Jan 92

[Text] Washington, Jan. 28 [date as received] (YONHAP)—An inter-Korean summit will be discussed by the South and North Korean prime ministers in their sixth round of talks, opening in Pyongyang on Feb. 18, South Korean Ambassador Hyun Hong-chu said Tuesday.

The South Korean Government would not secretly send an envoy to Pyongyang, nor would it discuss the matter with North Korea through other channels, he told Korean reporters.

The United States had told North Korea, in their first-ever high-level talks last week, it supports an inter-Korean summit and believes that the Korean question should be settled by the two Koreas, Hyun said.

The United States supported a summit as it judged that North Korean leader Kim Il-song is the only person in North Korea who is in a position to speak with authority on the nuclear problem or reunification of the Korean peninsula, he explained.

Summit talks would be an effective channel for the two Koreas to discuss not only the nuclear problem but overall problems on the Korean peninsula, the ambassador said.

Hyun said North Korea had welcomed a summit in last week's high-level talks with the United States and was willing to discuss any South Korean proposal concerning reunification if it was better than North Korea's confederation system.

Claims that the government was promoting a summit for domestic political gain were "too suspicious," and it was not the time to discuss a timetable for summit talks, he said.

The ambassador also said the government would make a concentrated effort to work out a verification system for inspection of nuclear facilities, and North Korea's response to this in the prime ministers' talks would influence the course of North Korean-U.S. relations.

Daewoo Chairman Outlines Hiring of DRPK Workers

SK2901102692 Seoul YONHAP in English 1005 GMT 29 Jan 92

[Text] Seoul, Jan. 29 (YONHAP)—The Daewoo business group is planning to hire North Korean workers in one of its overseas construction sites within six months, Kim U-chung, chairman of the South Korean conglomerate, said Wednesday.

Briefing members of the board of directors at the Federation of Korean Industries (FKI) on results of his recent visit to North Korea, the leading industrialist said joint South-North Korean inroads into foreign markets would be available if the governments of the two sides agree not to embrace workers' desertions from each other side.

His remarks were noteworthy since they hint at the likelihood of South and North Korea moving to discuss the thorny problem of handling defectors.

Kim, who explored possibilities of inter-Korean economic cooperation in Pyongyang last week, said that he would replace about 20,000 foreign workers employed on overseas projects with North Koreans on a step-by-step basis.

The first group will work on a highway construction project in Pakistan and will be hired within six months, he said.

North Korea was reluctant to accept Daewoo's offer to employ North Koreans due to concern about possible defections to the South, but responded favorably on the eve of his departure when he promised to ask the South Korean Government to agree to return any defectors, Kim said.

Daewoo also planned to use North Korean construction workers in Libya, Iran, Sudan, Tanzania, Cameroon and Nigeria in consultation with the governments of the host countries, he said.

He had asked the North Korean authorities to send skilled women workers as well, Kim said.

He said he has yet to report the government on his pledge not to accept defectors. "I see no reason for the government to oppose it," Kim said.

Regarding a suspicion among his business rivals that he is trying to monopolize economic cooperation with North Korea, Kim said, "I neither can do nor want to do."

"I actually recommended Hwasung Co. and Kukje Corp. as specialized footwear makers and advised them to join hands with the Southern businesses owned by natives of North Korea," he said.

Kim said North Korean factories seemed to be operating at 50 percent of capacity, and he thought it was because of a lack of orders.

Joint ventures with North Korea should be pushed for exports rather than domestic sales, he said.

Russian Scholar on Economic Ties With North

SK2601225892 Seoul KYONGHYANG SINMUN in Korean 25 Jan 92 p 4

[Article by Dr. Nataliya Vazanova, (name as transliterated), senior fellow at the Oriental Studies Institute of Russia: "Economic Cooperation Between North Korea and Russia Has Virtually Ceased"—first paragraph is editor's introduction]

[Text] Dr. Nataliya Vazanova [name as transliterated], a Russian expert on North Korea and senior fellow at the Oriental Studies Institute, published her book *North Korea's External Economic Relations* and is well acclaimed. The English edition will soon be published. Unlike the books on North Korea published in the former Soviet Union, which failed to correctly describe North Korea's economic situation because of the CPSU's principles, this book thoroughly analyzes North Korea's economic situation for the first time based upon the abundant, correct data which the former Soviet Union had. KYONGHYANG SINMUN carries a special contribution on Russian-North Korean economic relations from Dr. Vazanova.

Economic cooperation between North Korea and the former Soviet Union, which had been a very important part of North Korea's external economic activities, virtually ceased as of the end of 1991.

Even though the Kremlin did not favor Kim Il-song and his policies, it continuously extended assistance to North Korea to prevent socialism from failing on the Korean peninsula.

Because their economies worsened, the two countries gave priority to exports to Western countries in 1990 and 1991 to earn hard currency. As a result, they failed to fulfill their own material supply contacts.

Moreover, a series of political events that took place in the former Soviet Union dealt a crushing blow to economic cooperation between it and North Korea.

Yeltsin, president of the Russian Federation, who emerged as a new leader after crushing the August 1991 coup led by conservative military leaders, and other anticommunist forces completely ignored Kim Il-song's North Korea, their old ally.

Since the Commonwealth of Independent States [CIS] was inaugurated in 1991, the Russian Federation has kept its distance from North Korea, considering it to be an uncomfortable regime with which it wants to have no ties.

North Korea, in return, has assumed a similar attitude.

Even while the Russian Federation has effected a "political separation," other republics of the CIS have taken a step further, however. This has further driven North Korea into a corner.

As a result, the economic cooperative relations between the former Soviet Union and North Korea, which were brotherly countries, have completely ended.

The former Soviet Union and North Korea agreed in 1985 to expand their annual bilateral trade volume to 9.5 billion rubles by 1990.

The bilateral trade volume for 1990 was 1.35 billion rubles, however. Moreover, the volume for 1991 was drastically reduced to a mere 400 million rubles, much smaller than that in the 1970's.

The former Soviet Union and North Korea used to exchange approximately 100 types of goods. In 1991, North Korea supplied only three kinds—magnesite, bricks, and textiles, however—to Russia, and Russia supplied fewer than ten types of goods, including oil, coal, and cars, to North Korea.

The two countries signed contacts to supply some other goods but failed to fulfill those contracts.

Russia originally promised to supply 300,000 tons of oil to North Korea for 1991. A mere 50,000 tons were allocated in reality. Furthermore, North Korea opened no letters of credit as of the end of 1991.

Also, North Korea was supposed to supply goods worth 500 million rubles to Russia in 1991 to repay its debts to the former Soviet Union. North Korea supplied goods worth 100 million rubles, a mere 20 percent, to Russia, however. North Korea is still saddled with 1.1 billion rubles in debts.

In 1990, the former Soviet Union agreed to loan $15 million to North Korea to build the East Pyongyang Thermal Power Station.

This agreement has not been implemented, however. North Korea insists that at least $52 million is needed to purchase equipment for the first-stage construction of this power plant.

Joint manufacturing projects between the two countries have also been completely suspended. Russia has no raw materials good enough to supply to North Korea.

Also, because North Korea failed to pay for the work of Russian nuclear technicians, groundwork has not occurred for the construction of a nuclear power station.

No results have occurred in joint investment, as well.

The Russian partner in the Huichon-Gorkiy machinery plant, a joint venture between the former Soviet Union and North Korea, has failed to supply approximately half the promised necessary technologies to this plant because it has been unable to purchase equipment due to its financial difficulties.

Only a few small-scale joint ventures are working.

They are Piton [as transliterated], an oriental medicine and medical counseling firm that opened in 1989 in Chita, Russia; Pyongyang Restaurant in Moscow; Moranbong Restaurant in Vladivostok; a maritime products storage plant in Nakhodka; and a fish processing plant in Gamhin [as transliterated].

After the CIS was inaugurated, North Korea hastily signed economic cooperation agreements with Russia, Kazakhstan, Turkmenistan, and some other republics. This has brought no substantial results, however.

Also, prospects are not bright for economic cooperation. The collapse of economic cooperative relations between the CIS and North Korea will become a reality and will be hastened by economic difficulties facing the two countries and political differences between them.

Table 1. Changes in the former Soviet Union's Trade With North Korea

Year	1983	1984	1985	1986	1987	1988	1989	1990	1991
Exp	325.0	365.6	402.8	450.7	431.9	539.5	561.4	490	250
Imp	262.4	347.2	648.4	757.2	800.2	1,062.2	936.3	850	150
Total	587.4	712.8	1,051.2	1,207.9	1,232.1	1,601.7	1,467.7	1,340	400

(Unit: 1 million rubles; $1 equals 0.7 ruble in 1985; $1 equals 100 rubles at present)

DPRK, PRC Adopt Hard Currency Trade System

SK2801031392 Seoul TONG-A ILBO in Korean
27 Jan 92 p 1

[Report from Tokyo by correspondent Yi Nak-yon]

[Text] In Pyongyang on 26 January, North Korea and China signed a new government-to-government trade agreement, replacing barter trade between the two countries with cash transactions based on the settlement of accounts with U.S. dollars.

Now that North Korea is forced to continue trade on a cash basis with China, its second largest trading partner after the former Soviet Union with which it already trades on a cash basis, further pressure will be put on North Korea to reform its economy since it suffers from a serious shortage in foreign currency.

According to a 27 January report by the Japanese daily ASAHI SHIMBUN which quoted China's state-run XINHUA News Agency datelined Pyongyang, under this trade agreement signed by North Korean officials and Chinese vice trade ministers, the two countries will settle accounts with convertible currency and decide the prices of goods according to international market prices.

Statistics released by the Chinese side show that in trade with North Korea in 1990, exports totaled $360 million and imports totaled $120 million, thereby producing a trade surplus for China.

Trade Representative to Beijing Interviewed

SK2901063892 Seoul CHOSON ILBO in Korean
29 Jan 92 p 11

[Interview with No Chae-won, Korean Trade Promotion Corporation's Beijing representative, by Kim Yong-su in Beijing—date not given]

[Text] On 31 January it will be exactly one year since the official opening of the Korean Trade Promotion Corporation [KOTRA] office in Beijing.

During that time, the ROK and China recorded growth in economic exchange that is worth close attention. For example, in 1991 the overall trade volume was $5.7 billion. Including portions that have been authorized but are not yet in progress, there were 260 cases of investment with China amounting to $210 million.

Though almost one year has passed since the opening of the trade office, the ROK and China have not yet established diplomatic relations, and only a trade agreement has been reached within the economic agreement.

We met with trade representative No who has in "reality" been playing the role of "ROK ambassador to China"; look back on the activities of the KOTRA representative to Beijing; and examine pending issues, such as establishing diplomatic relations between the two countries.

[Kim Yong-su] When do you think it will be possible to establish diplomatic relations between the two countries?

[No Chae-won] I cannot say exactly when, but I believe it will be possible in the near future. In recent contacts with high-ranking Chinese officials, it was confirmed that China's foreign policy has been changed into a more active one. The fact that China and Israel established diplomatic relations is very encouraging. Our goal is to establish diplomatic relations "without spending money." Therefore, we are taking a relaxed attitude toward this matter.

[Kim] We know that Foreign Minister Yi Sang-ok is planning to visit China in April to participate in the Board of Directors meeting of the Economic and Social Commission for Asia and the Pacific.

There are rumors that the issue of establishing diplomatic relations will be resolved with high-ranking Chinese officials, including Chinese Foreign Minister Qian Qichen, at that time.

[No] Of course many pending issues will be discussed, but it is too much to expect that this will directly lead to establishing diplomatic relations. Mutual visits by foreign ministers of both sides will expand mutual understanding.

[Kim] How do you plan to resolve important trade issues between the two countries such as the investment guarantee pact?

[No] I met with Zheng Hongye, chairman of the Chinese trade promotion association, for two days beginning 26 January and agreed to exchange ratifications of the trade agreement between both countries to begin 30 January. We agreed to resolve the issue of the investment guarantee pact by February. We will also sign the agreement on preventing double taxation within one or two months. Apart from the issue of establishing diplomatic relations, we are planning to conclude various agreements one at a time, including aviation and sports agreements.

[Kim] What has changed since you were first appointed as trade representative?

[No] What has changed is that now we can contact working-level officials in all ministries of the government. When I first started work it was somewhat difficult because authorities related to the government refused to hold contacts with us because we are a private organization.

[Kim] Have you held contacts with high-ranking Chinese leaders and discussed the issue of establishing diplomatic relations between the ROK and China?

[No] I have met with a high-ranking official but I cannot say who he is. What I can say is that the Chinese side is also showing interest and a positive attitude regarding the establishment of diplomatic relations between the two countries. I can also say with confidence that during the past year the ROK and China made great progress and that the establishment of diplomatic relations between the two countries is not far away.

Government To Accelerate PRC Economic Ties

SK2901082992 Seoul YONHAP in English 0654 GMT 29 Jan 92

[Text] Seoul, Jan. 29 (YONHAP)—South Korea will shift economic cooperation with China into high gear by concluding agreements covering an investment guarantee, fisheries and aviation at an early date, a government official said Wednesday.

Officials from the foreign, finance, commerce, and trade and industry ministries and the Economic Planning Board will meet to coordinate their opinions in February and send a negotiating team to China, which has yet to normalize relations with Korea.

The official, speaking on condition of anonymity in keeping with practice, said the government planned to sign an investment quarantee pact with China no later than the opening date of the General Assembly of the Economic and Social Commission for Asia and the Pacific. The meeting is scheduled for Beijing in April.

The negotiators will also discuss the signing of an agreement on avoidance of double taxation.

The government is ready to sign a fisheries agreement if China requests it as Chinese fishing boats frequently violate Korean waters, causing diplomatic friction between the two nations.

As tension has eased on the Korean peninsula, a Seoul-Beijing air route could be opened, he said.

Foreign Minister Yi Sang-ok is expected to meet with Li Lanqing, the Chinese minister of foreign economic relations and trade, to discuss ways to promote bilateral economic cooperation at the eighth General Assembly of the United Nations conference on trade and development in Colombia on Feb. 8.

Resources Development Accord Reached With PRC

SK2801124392 Seoul YONHAP in English 1226 GMT 28 Jan 92

[Text] Beijing, Jan. 28 (YONHAP)—South Korea and China have agreed to jointly develop natural resources and farmland in the basins of Songhua, Heilong and Wusuli Rivers in northeast China, Ambassador No Chae-won, chief of the South Korean trade representative office here, said Tuesday.

No said in a press conference that the agreement will be signed by the local government of Heilongjiang Province and Chang Tok-chin, president of the Institute of Asian Studies, in a ceremony slated for Jan. 31 in Harbin.

Under the agreement, the two sides will invest 10 million Chinese yuan (2 million U.S. dollars) each to set up a joint-venture firm to pursue the joint development. Chang will become the president of the firm and his team will direct its business, No said.

The agreement has it that the company will produce coal, graphite, soy bean, wheat, maize, sugar beet and rice in the 120,000 square kilometers plot of land in the basins of the three rivers.

At the initial stage, the joint-venture firm will cultivate 25,300 hectares of field, 5,000 hectares of rice paddy, 1,730 hectares of stock farm, 1,470 hectares of fish farm, and 1,950 hectares of forest, watercourses and roads in the central parts of the basins.

No said, "it is very noteworthy that China has agreed to accept South Korea as its partner despite the lack of official relationship. The accord is a milestone in the bilateral relations between South Korea and China."

No said the governments of the two countries will exchange on Jan. 31 ratifications of a bilateral trade agreement concluded at the end of last year. He observed that Seoul and Beijing were to set about negotiations on an investment guarantee agreement shortly.

PRC Blocking Freight Service Joint Venture

SK2901090092 Seoul YONHAP in English 0828 GMT 29 Jan 92

[Text] Seoul, Jan. 29 (YONHAP)—The Chinese Government is blocking progress on opening a regular freight service between South Korea and China, the Korean partner in the proposed 50-50 joint venture charged Wednesday.

Chunkyung Shipping Co. and Sinotrans of China agreed last year to form a 50-50 joint venture capitalized at 300,000 U.S. dollars to begin a shipping service to link Inchon and Pusan to Shanghai and Tianjin.

After they agreed to call the company Chunnyong Enterprise Co., Sinotrans got cold feet and recently called off a meeting in Beijing this month because of "unpreparedness," a Chunkyung official said.

"The Chinese do not seem too enthusiastic," he said. "Remember, Sinotrans is not a private company."

Chunnyong was to rent a 5,000-deadweight-ton vessel for the round-trip service between Pusan-Inchon and Shanghai-Tianjin, which will have three sailings a month.

At the same time, China has granted Hyundai Merchant Marine Co. permission to set up a joint-venture car ferry service between Inchon and Dalian, and Sinotrans has approached Dongnama Shipping Co. about a containership service linking Inchon, Pusan, Shanghai, Dalian and Qingdao, and proposed a car ferry service between Inchon and Weihai in a joint venture with six Korean firms.

Foreign shipping companies carried 80 percent of the trade between Korea and China, 10 million tons, last year.

Diplomatic Relations Established With Kazakhstan

SK2801085892 Seoul YONHAP in English 0846 GMT 28 Jan 92

[Text] Seoul, Jan. 28 (YONHAP)—South Korea established diplomatic relations with the Republic of Kazakhstan in Moscow on Tuesday, the Korean Foreign Ministry said.

Korean Ambassador to Russia Kong No-myong and Kazakh Representative in Moscow Kanat Saudabayev signed a protocol on the establishment of diplomatic ties, the Ministry said.

The signing brought to 155 the number of countries with which Korea has formal ties.

Kong will exercise the diplomatic and consular jurisdiction in relations with Kazakhstan for some time, the Ministry said.

Korea recognized the independence of 11 republics of the Commonwealth of Independent States, including Kazakhstan, on Dec. 30 last year. Kazakhstan is the second CIS republic to set up diplomatic ties with Korea after Russia.

Task Force To Trim Trade Deficit With Japan

SK2801101092 Seoul YONHAP in English 0500 GMT 28 Jan 92

[Text] Seoul, Jan. 28 (YONHAP)—The government will form a task force to make a plan to redress the chronic trade deficit with Japan before entering trade negotiations in June.

The plan's focus will be on Japan's reducing tariffs, lowering non-tariff trade barriers and promoting technological transfers, it was decided Tuesday in an interministerial meeting chaired by Deputy Prime Minister Choe Kak-kyu.

In their talks earlier this month, Korean President No Tae-u and Japanese Prime Minister Kiichi Miyazawa agreed on a set of principles to trim the trade imbalance, which reached 9 billion U.S. dollars in Japan's favor last year.

The task force will comprise senior officials at the Foreign, Finance and Trade and Industry Ministries and be headed by Kim In-ho, head of the International Economic Policy Coordination Office in the Economic Planning Board.

ASEAN Nations Emerge as New Export Market

SK2901014192 Seoul THE KOREA HERALD in English 29 Jan 92 p 6

[Text] The Association of Southeast Asian Nations (ASEAN) is emerging as a promising new export market for Korea.

Amid the overall slump in exports to industrial countries, Korea's shipments to the six-member association jumped 42 percent to $7.17 billion last year from the $5.06 billion in 1990, the Ministry of Trade and Industry reported yesterday.

Exports to ASEAN soared from 5.0 percent to 9.9 percent of Korea's total exports over the cited period, it said. The bilateral trade balance was reversed to a surplus of $1 billion for Korea for the first time.

Officials attributed the sharp increase of exports to the high growth and rapid industrialization of ASEAN countries which sparked import demands, as well as the Korean companies' brisk investments there accompanying the exports of various equipment and materials.

Exports to Malaysia, Singapore and Thailand showed annual increases of more than 40 percent, and those to Indonesia and the Philippines grew 25 percent.

Commodity wise, the shipments of electronic parts, oil products, machinery, textile and leather goods recorded steep growth but those of paper and farm products were sluggish, the officials said.

Korea's export growth between 1987 and 1990 also averaged 37.2 percent, compared with 32.0 percent of Japan and 28.5 percent of Taiwan. The comparable shipment rise in the first 10 months of 1990 was 42.4 Korea, 10.3 percent for Japan and 18.7 percent for Taiwan.

Imports from the six-member group, which also includes Brunei, also climbed 21.6 percent to $6.2 billion, the tally showed. Korea imports such natural resources as crude oil, timber, liquefied natural gas and raw rubber from the region.

To maintain the trade growth impetus, the government plans to dispatch more sales and investment missions there, they said. It also will carefully analyze the economic effects of the proposed Asia Free Trade Area and consider establishing more regionally incorporated firms.

Government To Propose Northeast Asian Peace Plan

SK2501131592 Seoul YONHAP in English 1140 GMT 25 Jan 92

[Text] Seoul, Jan. 25 (YONHAP)—South Korea will propose the setup of a multilateral consultative body for discussing peace and stability in Northeast Asia at an international seminar on non-proliferation of mass destruction weapons and disarmament slated to be held Monday [27 January] through Wednesday in Katmandu, Nepal.

South Korean officials will stress in the seminar the need to start a two-plus-two consultation involving South Korea and the United States on one side and North Korea and China on the other as a medium- and long-term device to settle peace and stability in Northeast Asia, informed sources said Saturday.

The seminar, to be held under the auspices of the U.N. Disarmament Commission, will be an occasion when government officials of both South and North Korea unveil their respective policies regarding disarmament in the Korean peninsula and in the Asian-Pacific region for the first time since their Dec. 31 adoption of a declaration on a nuclear-free Korean peninsula.

The seminar will be attended by Councilor Yi Yang of the Foreign Ministry Policy Planning Office and Prof. Yi So-hang of the Institute of Foreign Affairs and National Security on the South Korean part and Vice Director Yi Hyong-chol of the Institute of Peace and Disarmament and Yi Yong-ho, chief of the Foreign Ministry Disarmament Section, on the North Korean side.

Sports Exchange With Cambodia May Foster Ties

SK2801032192 Seoul YONHAP in English 0255 GMT 28 Jan 92

[Text] Bangkok, Jan. 28 (YONHAP)—A soccer team from South Korea is to play friendly matches in Phnom Penh for the first time next week at the invitation of the Cambodian Government, in what it is hoped to be an occasion for drawing the two estranged countries closer.

Meas Sarin [name as received], secretary-general of the Cambodian national Olympic Committee, confirming the invitation in a telephone interview with YONHAP News Agency Monday, said the Cambodian Supreme National Council hoped to see the Koreans play the Cambodian team even though the two countries lack diplomatic ties.

"The goodwill sports event may decisively advance the establishment of South Korea-Cambodia diplomatic ties," said Sarin, adding that Prime Minister Hun Sen and other leading Cambodian Government officials had a deep interest in the Korean team's visit.

A team chosen from Korean company sides will leave here Friday for Phnompenh by way of Ho Chi Minh City to play two friendly games, on Feb. 2 and 4. A senior Korean Government official will likely accompany them, an informed source said.

Fishing Agreement With Papua New Guinea Signed

SK2501022292 Seoul YONHAP in English 0145 GMT 25 Jan 92

[Text] Seoul, Jan. 25 (YONHAP)—South Korea and Papua New Guinea signed a fisheries agreement here Saturday that gives Korea fishing rights in the waters of the Pacific state.

The accord was signed by Foreign Minister Yi Sang-ok and Deputy Prime Minister Akoka Doi, who is also fisheries and marine resources minister.

Thirty-five Korean fishing boats caught 72,000 tons of tuna in the waters off Papua New Guinea last year, accounting for 40 percent of Korea's total tuna haul.

Government To Encourage Provincial Development

SK2701091192 Seoul YONHAP in English 0157 GMT 27 Jan 92

[Text] Seoul, Jan. 27 (YONHAP)—The government will promote balanced urban and industrial development centered on large provincial cities in order to help disperse the swelling population of Seoul and its vicinities.

The government will also remove some restrictions on the development of the so-called green-belt zones to build recreational facilities. As parts of the greening campaign that started in the 1960's, the green-belt areas were off-limits to industrial as well as commercial developers.

In a report to President No Tae-u, Construction Minister So Yong-taek said his ministry will place top priority on measures to disperse the population of the capital and its satellite cities, which account for more than 40 percent of the nation's entire population.

To do so, So said, the government will restrict the construction of research and recreational facilities within the Seoul metropolitan area and encourage public and government-supported organizations to move to provinces.

In addition, the government plans to strengthen its control over off-shore land reclaimation projects and housing development plans within the metropolitan area, So said. If the private sector wants to go ahead with such developments, it will be responsible for roads and other accompanying facilities, he said.

The government does not plan to build any more satellite Seoul cities like Pundang and Ilsan, So said.

Instead, the government will help develop large provincial cities like Taejon, Taegu, Kwangju and Pusan to induce Seoul residents to these cities, the minister said.

In order to provide low-income families with affordable housing, the government plans to build 50,000 houses or apartments of 12 pyong (about 40 square meters) this year while designating new industrial complexes in 15 areas including Chungju and Andong. It will also allocate 20 plots of land totaling 7,830,000 pyong (one pyong equals 3.3 square meters) for factory sites.

Sci-Tech Ministry Submits Development Plan

SK2801124692 Seoul YONHAP in English 0629 GMT 28 Jan 92

[Text] Seoul, Jan. 28 (YONHAP)—The government plans to spend a total of 10 trillion won for research and development of technology and production of goods that could claim to be the best in the world by the year 2001.

The Science and Technology Ministry will complete preliminary studies on 14 select core technologies by April this year and provide government support funds totaling 4.3 trillion won. It will solicit private funds of 5.6 trillion won for the same purpose.

These and other plans were contained in a report submitted to President No Tae-u Tuesday morning by the Ministry.

According to the plan, the Ministry will promote the industrial uses in one to two years of some 50 different technologies developed by domestic research institutes.

It will also train more than 300 scientists and engineers to get masters and doctors of philosophy degrees at the Korea Advanced Institute for Science and Technology (KAIST) and other research institutes.

The government will increase the number of scientists and engineers exempt from compulsory military service to 1,570, up 46 percent from 1991, while upgrading undergraduate universities that have excelled in scientific research to graduate schools, the Ministry said.

With regard to the private sector, the Ministry said it will help establish an overall technological fund in July and another organization aimed at utilizing the results of research for industry by 1993. It will raise the discount rate of tariffs on imports of research materials and equipment from the current 65 percent to 85 percent.

It will build an information industry complex on a 10,000- to 20,000-pyong (one pyong equals 3.3 square meters) plot of land in Hwasung, Kyonggi Province, this year. It will also set up overseas information networks in Tokyo and Moscow, assigning about 10 scientists to each office.

Reports Follow Hyundai Labor, Management Dispute

Management Ends Lockout

SK2501032592 Seoul YONHAP in English 0305 GMT 25 Jan 92

[Text] Ulsan, Jan. 25 (YONHAP)—Korea's largest automaker, Hyundai Motor Co., ended an 11-day lockout Saturday, vowing to resume operations on Monday, but union leaders said they would not cooperate.

The 28,000 workers, 82 percent of the workforce, who clocked in Saturday were put to work cleaning up the factory and test-running the production lines. They held a rally in a parking lot calling for early resumption of production at 11 a.m.

Management posted notices announcing the end of the lockout and called some 3,000 union members and persuaded them to return to work Monday.

Fifty-five leaders of the union, one of the most powerful and well-organized in Korea, met Friday and decided to stay out. They appealed to workers at other Hyundai subsidiaries to join them.

The police have deployed 3,500 riot troopers around the plant and beefed up security.

Production Lines Return to Normal

SK2701052592 Seoul YONHAP in English 0255 GMT 27 Jan 92

[Text] Ulsan, South Korea, Jan. 27 (YONHAP)—Production lines at the Hyundai Motor Co. plant in Ulsan, South Kyongsang Province, resumed normal operation Monday after a 10-day shutdown as 91.3 percent of the morning shift, or 21,000 workers, clocked in.

Management handed out 15,000 leaflets, reading "Let us enliven the company with solidarity of labor and management," to workers as they came in the company gates.

A Hyundai official said workers who did not turn up would be regarded as truant and would not be paid.

"We are considering giving clocked-in employees production encouragement money before the lunar new year's holiday," he said.

Some 30 union leaders distributed a union flier outside the gates in the early morning and two were arrested. The flier said there would be a general meeting of union members at Ulsan University in the afternoon and that if the police cordoned it off the meeting would be held in eastern Ulsan city.

The police posted 3,500 combat troopers in and around the company compound to prevent obstruction of workers reporting to work, and made plans to stop the union gathering from taking place.

Owner To Visit North

SK2801123692 Seoul YONHAP in English 0617 GMT 28 Jan 92

[Text] Seoul, Jan. 28 (YONHAP)—Hyundai Group owner Chong Chu-yong, founder of the Unification National Party, said Tuesday that he was trying to arrange a trip to North Korea for September or October to promote economic cooperation between Seoul and Pyongyang.

"I intend to keep all my promises with North Korean leaders," said the aspiring politician, who visited Pyongyang in January 1989 to discuss business opportunities in the North.

Daewoo Group Chairman Kim U-chung and the Rev. Moon Sun-myung have made high-profile visits to North Korea in the last couple of months, but Chong was the first South Korean businessman to visit North Korea since the end of the Korean war in 1953.

"No other Korean business but Hyundai is able to develop Mt. Kumgang, stir up the shipping industry and build factories to make rolling stock there," he added.

Chong, who recently announced his retirement from business, said he expected the government to welcome his effort to do something helpful for both Koreas. He said his business trip to North Korea would be promoted by his party.

"I believe that people will achieve free, direct trade and free travel between South and North Korea next year," he said.

* Acute Labor Shortage Researched, Analyzed

* Extent of Shortage

922C0052A Seoul CHUGAN MAEGYONG in Korean 30 Oct 91 pp 47-48

[Article by reporter Hwang In-tae: "Present State of Labor Shortage—Critical Shortage of Simple and High-Grade Labor With No Solution in Sight"]

[Text] Our economy has entered a period of acute labor shortage. In the past, our business firms had no particular labor shortage. But now they begin to complain about difficulties in securing enough employees, and some of them are compelled to curtail operations. Thus, the labor shortage has now become an economic issue.

This is indeed a serious problem because a labor shortage exists despite the sharp rise in wages resulting from thriving labor movements spurred by the 29 June 1987 proclamation.

The characteristics of the labor shortage in our economy may be divided into two categories.

The first category is the shortage in the simple labor force. This type of shortage arises from an insufficient supply of labor as a result of the tendency on the part of workers to avoid working in production sites despite the increased wage level. In brief, it was caused by a short supply. As a result, wages for simple labor continue to rise, critically undermining our international competitive position.

The second category is the shortage in the high-grade labor force. This type of shortage is directly linked to the present state of education. This shortage is caused by the gap between education and the direction in the development of our industrial structure, and this gap leads to this imbalance: Employers find difficulty in recruiting college graduates of certain academic courses whereas graduates of liberal arts and humanities colleges have difficulty in finding jobs.

Shortage of 250,000 Workers This Year Alone

For this reason, the government's manpower policy seems to be oriented toward expanding the supply in the area of simple labor while augmenting the substance of education to meet the demand for high-grade labor.

The government, business, and labor are testing their strength over the issue of utilizing the potential labor force and that of importing workers from overseas as a means of increasing the supply of simple labor.

During the 18 September cabinet meeting at Chongwadae, the president instructed his ministers to study ways to import workers from overseas.

In line with this instruction, the Ministry of Trade and Industry is studying the question of introducing skilled workers from overseas, up 5-6 percent of the number of employees, ostensibly for training purposes.

The problem is that labor unions are strongly against this means of supplying simple labor.

The Federation of Korea Trade Unions (FKTU) made its position clear on 20 September when it said it is against the introduction of labor from overseas in any form. It also expressed its opposition to the introduction of part-time workers, on the grounds that the part-time system infringes upon the interests of the workers.

Thus there is a difference of opinion between the government and labor over the shortage in the simple labor force, whereas with regard to the problem of the shortage in high-grade manpower, there is a difference of opinion between the DLP [Democratic Liberal Party] and the government and between various government ministries.

Believing that current college education does not keep pace with the development in industrial sites, the DLP and the Ministry of Trade and Industry are pressing for the establishment of factory-run technical colleges.

But, the Ministry of Education is against this idea on the grounds that the establishment of factory-run technical colleges would cause confusion between degrees awarded by these factory colleges and those awarded by existing colleges.

In Germany, factory-run colleges are strictly limited to vocational technical training, and the degrees are awarded only by regular colleges. In view of the examples in foreign countries, the Ministry of Education maintains that only regular colleges should award degrees, but should honor credits earned in factory-run technical colleges, and that this system of education will provide an incentive for workers.

The Ministry of Labor estimates the labor shortage as of 1991 at a total of 250,000, of which 220,000 are production workers and 30,000 are technical workers. The ministry says that the size of the shortfall is ever increasing.

Despite the increasing acuteness of the labor shortage, no agreement has been reached yet among various government ministries, between the DLP and the administration, and between the government and labor on the basic principles which will govern the ways to resolve the shortage.

* Tapping Manpower Reserve

922C0052B Seoul CHUGAN MAEGYONG in Korean 30 Oct 91 pp 48-51

[Article by O Su-pong, researcher at the Korea Labor Research Institute: "Increasing Part-Time Jobs in the Service Sector Will Bring About a Maximum Effect"]

[Text] With the shortage of simple mechanics and skilled workers gradually spreading across the whole industrial sector, the need for utilizing labor reserves is increasing. Also increasing is the number of people in the potential labor force, mostly women and the aged desiring to seek employment as more and more people receive higher education and the average life span increases. Our society lacks the conditions which will bring supply and demand into equilibrium in the area of potential labor force, however. Below we will examine the immediate obstacles which are impeding the utilization of labor reserves as a means of resolving the labor shortage, and the effective ways for bringing potential manpower into the labor market.

Labor Reserves, Mostly Married Women, Seniors

To begin with, that portion of the potential labor force who are able-bodied and have a desire to work but currently have no jobs (the unemployed); people who are working less hours than they want (people seeking additional jobs); and those who are not looking for jobs for various reasons (people engaged in ungainful activities). According to a survey conducted by the Economic Planning Board (EPB) in 1989, the number of this potential labor force totaled 2.4 million, of whom women accounted for 65 percent, and men and women with an educational level below middle school education accounted for 48 percent.

Of the total potential labor force, 2.03 million people wanted to be wage workers, and 55 percent of them wanted part-time work. Those who were engaged in ungainful activities but would like to work totaled 1.7 million, of which 78 percent were women. The number of women desiring to work part-time was 820,000. Needless to say, of this potential labor force, the number of people who will be able to enter the job market at the present wage level is small. According to a survey conducted this spring, the labor shortage in production jobs totaled 250,000, about 10 percent of the current potential labor force. This graphically illustrates that the utilization of the potential labor force holds the key to resolving the manpower shortage. As the table shows, women—particularly married women—are at the core of the potential manpower, and most of these women want part-time jobs.

It is a well-known fact that the number of women entering the job market has been increasing with the progress of industrialization. This increase is attributed to the following reasons: the burden of taking care of the family has lessened with the progress of urbanization, the trend toward a nuclear family, and the decreasing trend in the number of babies born; the time spent on household chores has drastically decreased; and the desire to carry out social and economic activities has increased with the rise in the educational level.

Table 1. Composition of Potential Labor Force By Sex and Desired Employment Types (Unit: 1,000)

Composition	Total	Men			Women		
Employment Status		Unemployed	People Seeking Employment	Workers Seeking Additional Jobs	Unemployed	People Seeking Employment	Workers Seeking Additional Jobs
Total	2,408	327	375	141	147	1,319	100
Wage Labor	2,031	285	334	61	138	1,143	70
—Full Time	918	278	149	28	113	328	22
—Part-Time	1,113	7	185	33	25	815	48
Non-Wage Work	377	41	41	80	9	176	30

1. Source: The Economic Planning Board, "Statistical Survey on Employment STructure," November 1990.

Expected Long-Term Effect of Part-Time Jobs

As of 1990, 47 percent of the total woman population participated in economic activities, and this rate is 5 to 10 percent below the level in advanced counTries, however. The ratio of working women between 25 and 34 and the age of the total number of women was about 10 percent lower than that of Japan, where the percentage of women at work is almost the same as in the two counTries. Thus, there is sufficient room for our women to enter the job market.

Next, we will examine the employment picture of people of 55 and over. As of 1990, the population of people 55 and over was about 4.8 million, or an increase of 90 percent over the 1970 figure, whereas the population of children of 14 years and under decreased by about 16 percent. This indicates that the population of those engaged in economic activities is getting older. As of 1989, the ratio of people aged 55 and over participating in economic activities compared to the total population was 45.1 percent, or an increase of 5.6 percentage points from 39.5 percent in 1980.

The increasing trend of economic activities among the aged is attributed to the increasing desire and need of the elderly to engage in economic activities partly because the average life span expands with the improvement of nourishment and the development of medical science. Second, partly because the desire to work remains strong even after the retirement at the age of 55 thanks to the improvement in the health conditions of the elderly, and partly because the need of the elderly to look after their own livelihood increases with the trend in our society toward urbanization and toward a nuclear family. Another reason is that social security measures for retirees are still inadequate.

Sixty-two percent of the aged workers are engaged in agriculture and forestry, however, and 78 percent are self-employed or non-wage workers, with only 22 percent being wage workers. In addition, there is a considerable number of aged who want jobs but who have been unable to find them. Accordingly, there is plenty of room for hiring the aged labor force which is in a state of underemployment or latent unemployment as wage labor. Nevertheless, it is hard to expect that women and the aged will be thrown into the mining and manufacturing industries, the sectors where the manpower shortage is very acute. By nature these people as a source of labor are not fit for physical labor, and it is not easy for them to adapt themselves to the operational regulations of workshops. In addition, in the manufacturing sector, in which production is performed in a systematic way, there is little room for giving preference to part-time labor. What is more, it is problematic whether the wage levels and the working conditions, such as the arduousness of work and the strictness of working hours, are favorable enough to compensate for the cost of supplying labor on the part of women and the aged.

Jobs fit for women and the aged are clerical and service jobs as the experience in advanced countries indicates, and part-time work is good for them when their type of performance is considered. Statistics on part-time workers in advanced countries show that in the manufacturing sector, part-time workers account for only 10 to 20 percent of the labor force, and that 70 to 80 percent of the part-time workers, most of whom are women, work in the trade, finance, and service sectors.

If so, what effect will the use of the potential labor force in the clerical and service sectors have on the manpower shortage in the manufacturing and production sectors? If the service sector hires much of the idle labor force on a part-time basis by using comparatively low wages as a lever, then part-time workers will replace some of the full-time mainstay workers in the service sector, thereby pushing the overall wage level in the service sector downward. Under the circumstances in which the ratio of production wages to service wages is one to 1.7, if the comparative wage structure changes in favor of production jobs, it will have the effect of curbing the entry of young workers into the service sector. If the nuclear labor force of our country enters the manufacturing sector carrying skills and technical know-how with them and boost production and thus also boost wages, it will gradually resolve the present demand-supply imbalance between different jobs and different industries, as well as the shortage of manpower in production jobs.

Government Urged To Set Examples in Developing New Jobs

As of 1990, the total number of employees working less than 36 hours [a week] in the non-agricultural sector was 1.2 million (including the self-employed), or 8 percent of the total employees in the non-agricultural sectors. In advanced countries, where the part-time practice is firmly established, the ratio of part-time workers is 17.3 percent in the United States, 24.7 percent in the United Kingdom, and 13.6 percent in West Germany. This indicates that there is plenty of room for providing part-time jobs.

If so, why has the part-time practice not been established yet in our country? According to an ILO [International Labor Office] survey, the labor standards for part-time work differ from country to country; yet each government sets the guidelines for adjustment that should be followed when the protection of part-time workers and the management of employment conflict with each other, that is, the regulations that labor and management should abide by with regard to part-time employment. To name only important features, the guidelines provide for employment standards, such as matters relating to the payment of severance pay and allowances, overtime pay, paid leave, the application of the minimum wages, and the annuity and the health and unemployment insurance coverage, as well as matters on collective negotiations and actions, such as membership in trade unions and the right to bargain collectively.

The government should first of all consolidate the laws and systems concerning part-time employees and work out guidelines for protecting them and, at the same time, giving play to the elasticity in employment management. It should also strengthen its function of offering assistance in finding part-time jobs and expediting the creation of jobs fit for part-time work. In this regard, the government and its investment agencies should set good examples.

Information centers on part-time jobs should be established to offer job counselling to married women and elderly persons looking for employment and pass pertinent information to potential employers, and if possible, to provide short-term vocational training mainly in simple skills. At the same time, the government and government-run investment agencies should establish the practice of employing married women and senior citizens for whatever jobs fit for part-time work.

Next, barriers to employing women labor reserves are attributed to, among others, sexual discrimination against women in our society, the care and feeding of children, and rush hours. The government should expand public nurseries, and firms should set up nurseries in their compounds in order to encourage married women to work.

In addition, pollution-free apartment-type factories should be built in residential areas so that the cost of commuting may be lowered. These measures will lower the cost of offering labor by potential workers, thereby having the same effect of raising their wages. If enterprises voluntarily remove discriminations in the area of employment, such as those in hiring, wages, and promotion, it will have the effect of raising the comparative wages for women and thus accelerating the utilization of woman labor.

Mass Production of Working Poor To Be Avoided

What are the obstacles to the employment of the aged? According to a recent survey, more than 90 percent of our firms have a system of superannuating employees at the age of 55 or under. The retirement age in our country is low compared with the retirement age ranging from 60 to 65 in advanced countries. Particularly in the United States and European countries, there is practically no mandatory retirement system because employees are free to choose the time at which they will start drawing their pension and the time of their own retirement.

Our enterprises should establish a system which is flexible enough to suit the characteristics of individual workers so that they may be allowed to choose the time to retire. Retirees find it difficult to accept a position or pay which is below the level that existed before their retirement, and for this reason, they are likely to enter into a non-wage occupation, such as self-employment. Therefore, it is worthwhile for the government to develop self-employed service jobs suitable for the aged and adopt a policy of giving priority to senior citizens in licensing these jobs.

The government should set an example by selecting the types of part-time jobs suitable for seniors and hire them on a priority basis. In the case of Japan, when a firm hires people between the ages of 55 and 65, the government subsidizes it for part of their wages. From a long-term perspective, our government should study ways to eventually introduce a similar system.

Lastly, in working out measures for utilizing idle manpower, care should be taken not to turn women and the aged into the working poor. In the United States, relatively large numbers of service jobs have been created with European countries, but these jobs have ended up a mass production of the working poor in most cases. We should learn a lesson from this, and for people entering the labor market from the potential labor force. We should pay special attention to developing their experience by inducing them to accumulate skills and technical know-how so that the productivity of their work as well as their wages may be boosted.

* Import of Labor

922C09052C Seoul CHUGAN MAEGYONG in Korean 30 Oct 91 pp 52-53

[Article by Kim Chae-won, professor of economics at Hanyang University: "The Labor Market Should Be Opened Temporarily on a Merit Basis, Although It Will Be Difficult To Open It Completely"]

[Text] Diverse opinions have been expressed in various circles regarding the question of importing labor from overseas. This issue arose as the labor shortage in the mining, manufacturing, and building sectors has become increasingly acute over the past two to three years, causing a great impediment to industrial operations.

When the issue cropped up, the majority of people expected that the Justice and Home Ministries would be against importing labor from overseas, the Ministry of Labor would be reserved in its attitude, and the Ministry of Trade and Industry would be in favor of this. Last summer the atmosphere of public opinion was such that people tended to speculate as follows: From the standpoint of the ministries and agencies in charge of immigration or internal security, importing labor would be an impossibility without amending the relevant laws; on the other hand, the Ministry of Labor, even if it felt such import was inevitable in view of the short- and medium-term labor supply situation, would not easily support it considering the position of the trade union side; whereas the Ministry of Trade and Industry, which had to press enterprises for more production and exports, would stress the need for importing foreign workers, although it might not be easy to justify it.

The government, which has yet to take a firm stand on this issue, seems to be taking a positive view on using foreign manpower in the types of business and vocations in which importing foreign labor is inevitable.

Acute Manpower Shortage in Small Enterprises, Mining

Generally, the sectors which feel the need to import foreign manpower are most probably small and medium-size mining and building enterprises, whose employment the natives have a conspicuous tendency to avoid.

Before examining the appropriateness of importing foreign manpower, we will study the precedence among our rivals, namely, three Southeast Asian countries and Japan. In the case of Taiwan, there is no pressing need to import foreign labor because more than 200,000 people smuggle themselves into that country from mainland China each year. The Taiwan Government feels that all it has to do is leave the illegal entrants alone when it finds it necessary to import foreign labor, and only otherwise take action against them. In the case of Singapore, it uses labor from Malaysia, the Philippines, and Indonesia, but what it fears most is the possibility that foreign workers will stay for an extended period and that imported women workers will get pregnant. By way of precaution against this possibility, the Singapore Government reportedly adopts the system of collecting what is called a deposit from the employers of foreign labor. This system is indicative of that government's determination to strictly prevent an extended stay of foreign employees due to pregnancy or childbirth. In the case of Hong Kong, there is no issue of importing foreign manpower, whereas Japan seems to wink at the use of foreign labor on specific projects on a limited basis.

To all intents and purposes, Japan and our three rivals in Southeast Asia seem to permit the use of foreign labor on a limited basis or look away from it.

The crux of the matter is that there is a conspicuous trend toward avoiding employment in the types of jobs which provide low wages and very bad working conditions, although our country, as far as labor supply and demand is concerned, has not yet entered the age of an absolute labor shortage. The more fundamental problem is that it is difficult to give a reasonable explanation for why people try to avoid working on certain jobs, however. People shun construction sites despite the high wages for unit labor. Is this an income effect? This phenomenon would be understandable if the distribution of income or wealth is equitable in our country. But, in our country there are about 3 million people at the poverty level. Is it, then, a wartime effect on the supply of labor as on consumption? It is not. Then, this phenomenon cannot but be viewed as an outcome of irrational determinations of the mind. If it is an effect of disappointed hopes of owning one's own home and thus of preference for "work" over "leisure," it is far from a rational way for deciding to supply one's labor.

As everyone knows, importing foreign labor will have numerous negative effects. In spite of these side effects, is it still necessary to import manpower from abroad?

The answer to this question depends on the answer to the following question: Beginning in the latter half of the 1980's, the need to readjust the industrial structure arose, touching off a sustained controversy over the so-called marginal enterprises. But, how long should the temporary support for them be maintained? Under the circumstances in which the measures for fostering small and medium enterprises are still in effect, the argument—that inasmuch as the frailty of small and medium enterprises is a product of the overall socioeconomic structure, marginal enterprises should be weeded out—is hardly convincing. The policy of supporting our industries has a limit because of the effect of the Uruguay Round (UR), and accordingly, the modes of support for industries need to be changed. The biggest supportive policy which is emerging anew is that of insuring a smooth supply of manpower at the state level. The necessity for manpower exchange is on the UR agenda.

In our country the simplistic argument that inasmuch as foreign countries permit or acquiesce in the import of manpower from overseas, we too should adopt a similar policy, seems to be untenable.

The labor supply situation in our country shows that applicants have difficulty in finding administrative jobs requiring a high-level of educational background, whereas employers have difficulty in finding recruits for production jobs which require only a low-level of educational background. The reasons for this gap may be found on both sides of demand and supply. On the manpower demand side, readjusting or streamlining the industrial restructure has not been carried out as planned despite the emphasis placed on it by the government. As a result, there is a greater demand for low-skilled production jobs. True, when the government put the Minimum Wage Law into effect in 1988, it sought the secondary effect of achieving progress in streamlining the industrial structure and conserving labor, in addition to the primary purpose of protecting low-wage workers. Since wages began to rise and the conflict between management and labor came to the fore in the wake of the 29 June 1987 proclamation, there has been a conspicuous tendency among big corporations to adopt a system of assigning part of the process of production to contractors while introducing automation and other labor-saving devices, thus giving rise to the phenomenon of boosting manpower demand in small enterprises. In other words, the juxtaposition of the labor-saving and labor-intensive sectors is a striking phenomenon on the manpower demand side.

Maximum Use of Manpower Pool Urged

On the manpower supply side, it is a fact that a handy manpower pool still exists in our country. There are approximately 650,000 family workers who work longer hours although their wages are less than half the wages for production jobs in the manufacturing sector. Among the women in nonagricultural households and among men and women engaged in ungainful activities, those who are from 25 to 49 years of age total 3 million.

All this considered, it will be difficult to categorically reject the validity of importing manpower from overseas. The question is how to use foreign workers. As far as the employers and individual foreign employees are concerned, the matter boils down to the comparative merits of the options of temporary and permanent utilization of foreign labor. First, the option of permanent utilization will hardly be considered because of the numerous social side effects it will entail. Even in the temporary usage, the same labor standards that are applicable to native workers should be applied to foreign workers, and discrimination in the payment of a compensation for on-job injuries and any other discrimination in the manpower management are undesirable.

In other words, foreign workers should not be imported for the simple reason that they are cheaper than native workers. Moving business operations abroad would be a better choice than importing comparatively cheap foreign labor. The argument that it is better to use foreign labor because there is unlimited sources of foreign labor supply and thus the use of a labor-intensive method of production will be more cost-effective than the mechanization of the factory is not convincing either. In addition, any use of foreign labor will meet opposition from the union.

The import of foreign labor will be valid and reasonable when it is impossible to secure a manpower supply on the domestic market. This is not limited to importing labor from countries with a low level of production technology, but also includes the use of foreign technicians and technical experts in those sectors in which we have not trained an adequate number of technicians and technical experts. If these preconditions are met, it will not be too difficult to find solutions to secondary problems, such as the problems of applying the Labor Standards Law to foreign workers and providing workmen's accident compensation for them, and the problem of whether or not it is necessary to provide vocational training to foreigners, from the point of view of the temporary and effective utilization of foreign manpower in an open economy.

Burma

Karens, Nagas Report Army Atrocities; Aid Urged

BK2801033792 Bangkok THE NATION in English 28 Jan 92 p A3

[Text] The Karen resistance has appealed for emergency aid to cope with a fresh influx of 3,000 refugees forced to flee into Thailand's Mae Hong Son Province, following the Burmese Army's dry season offensive against the ethnic guerrillas.

In a statement released on Thursday, the Karen National Union (KNU) said its refugee committee was sheltering and assisting 38,163 Karens at a string of camps on the Thai border, and the newcomers along with another 2,000 Karens, who fled their homes in the Duplaya, Mergui and Tavoy Districts opposite Thailand's western and southern provinces, posed an extra burden for them.

These refugees desperately needed aid to battle the freezing temperatures of the season, it said.

"We appeal to the world community, non-governmental organizations and individuals to extend all the necessary aid to the new arrivals. Temperatures during the nights can be as low as five degrees celsius. These people do not have proper clothing, shelter, food and medicine," said the statement.

It added that the refugees were forced out of their country by Burmese troops "who would shoot anyone on sight. They would burn down villages, kill and eat livestock. Women, elderly people and children are not spared either."

In Bangladesh, more than 60,000 Burmese Muslims from Burma's western Arakan state, called Rohingyas, also cited the same reason for fleeing across the border. They said Burmese soldiers had burned their homes and arrested and press ganged thousands of young men into becoming porters.

A report from India yesterday added that about 1,400 Naga tribespeople have fled across the border to India following a Burmese crackdown in December. It was the first major exodus of Nagas from Burma. In 1988, about 7800 Nagas took flight into the Indian states of Mizoram and Manipur after Burma's bloody suppression of its pro-democracy movement. Some 100 Nagas still live in the mostly mountainous region.

Exiled Burmese dissidents said they believed Rangoon was plotting to incite a racial conflict to divert the populace's attention from the pro-democracy movement, the same tactic it had successfully employed in the early 1970s to quell the rice riots.

Dhaka, meanwhile, has placed its troops on full combat alert along the 270-km frontier with Burma after Rangoon forces attacked a Bangladesh Rifles camp last month killing one soldier and wounding a number of civilians. The Burmese accused Bangladesh of harbouring Rohingya guerrillas, fighting for an independent homeland in Arakan. Dhaka denied the charge and said there were no Burmese rebels in Bangladesh.

The Karen statement also mentioned that Burma Army's 66 and 88 divisions, employed in operations against the ethnic group, had forced over 10,000 civilians, among whom were over 3,000 women, to become porters. "Some were rounded up at public entertainment places, railways stations and some from rice fields," it said.

It added that some women porters "were coerced into sleeping with the (Burmese Army) officers and soldiers. Two Karen girls were alleged to have been murdered for refusing to sleep with the soldiers."

The Karen statement said a total of 153 porters including four women managed to escape to the Karen camp. The oldest among them was 65 with the youngest being 13. They had related "horrible stories" of how the porters were maltreated by the Burmese trops.

The porters also said, "eighty per cent of the Burmese soldiers are teenagers, some as young as 15 or 16," according to the statement.

University Teachers Begin Refresher Course

BK2801103792 Rangoon Radio Burma in Burmese 1330 GMT 27 Jan 92

[Excerpts] The opening ceremony of the No. 1 Special Refresher Training Course for teachers of colleges and universities was held at 0900 this morning at the training hall of the Central Institute of Public Services [CIPS] in Hlegu Township. Major General Khin Nyunt, secretary-1 of the State Law and Order Restoration Council [SLORC] and chairman of the Myanmar [Burma] Education Committee, attended the ceremony and delivered an address.

Also present at the inauguration ceremony were Maj. Gen. Myo Nyunt, chairman of Yangon [Rangoon] Division Law and Order Restoration Council; Chief Justice U Aung Toe; Attorney General U Tha Tun; senior military officers from the Defense Ministry; U Ko Lay, chairman of Yangon City Development Committee and Mayor of Yangon; members of the SLORC Information Committee; U Maung Maung Gyi, chairman of the Public Services Selection and Training Board, and members; members of the Myanmar Education Committee; responsible personnel from the SLORC chairman's office and the SLORC office; departmental officials; rectors, vice-rectors, and professors from colleges and universities; and the principal and instructors from the CIPS.

First, Maj. Gen. Khin Nyunt, secretary-1 of SLORC and chairman of the Myanmar Education Committee, delivered an opening address. [passage omitted] Next, U Tin Tun, principal of the CIPS, explained the preparatory work carried out for the refresher course and the training timetable. The opening ceremony for the refresher course ended at 0950. [passage omitted]

Altogether 2,096 lecturers, assistant lecturers, and tutors are attending the refresher training course. The duration of the course is four weeks.

Cambodia

Sihanouk, UNTAC Chief Akashi Visit Battambang

Sihanouk Greets Crowd

BK2901110192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 29 Jan 92

[Speech by Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council, during a visit to O Taki center for repatriated refugees in Battambang Province on 27 January—recorded]

[Text] Greetings to His Excellency [H.E.] Chairman Chea Sim; H.E. Yasushi Akashi, special representative of H.E. UN Secretary General; their excellencies ambassadors, H.E. UNAMIC [UN Advance Mission in Cambodia—title as heard]; their excellencies local and foreign friends; ladies; and in particular greetings to my children, grandchildren, and great grandchildren.

I am very moved to be here today in Battambang Province, our glorious province which I dearly love and missed after we were separated for 21 years. When we were separated, I did not have any great grandchildren; now I do. I am thus very glad to see all of you. I would like to take this opportunity to express thanks to H.E. Chairman Chea Sim, the Cambodian People's Party [CPP], their excellencies Heng Samrin and Hun Sen and the State of Cambodia's Government for turning to me as their father and asking me to be reunited with all of you like the way it used to be. [applause] We will no longer be separated. We can thus say that we are entering an era like that of the Sangkum Reas Niyum [name of Sihanouk's former political party] to build and defend the nation, independence, and peace with national union. The CPP with H.E. Chea Sim, present here, as clear-sighted leader and lofty nationalism; and the State of Cambodia's Government with H.E. Hun Sen as clear-sighted leader with lofty nationalism, have linked themselves to the era of the royal father, the Sangkum Reas Niyum, in building and defending the nation, peace, and unity for the motherland. This new era is one in which we again have peace and unity to be a cool and prosperous refuge for every one of you, my children. [applause]

I come here to link myself to you. Children in other provinces, please be informed that I, accompanied by H.E. Chea Sim, H.E. Hun Sen, will have an opportunity to see you in succession. However, children, grandchildren, and great grandchildren, should realize that it is only two of three months since I have been with you. I have to work to serve the nation and motherland in cooperation with the United Nations, and cordially work with the State of Cambodia and the CPP. Night and day I work without respite; no rest, no Sunday. I really work. Since that day, I have done a lot, most of it state affairs in Phnom Penh. However, apart from the children in Phnom Penh, whom I meet quite frequently, I have visited children in Kandal, Kompong Speu, and Kompong Cham Provinces. And now I am fortunate and honored to visit Battambang Province as well. Today and tomorrow I will be close to you like it was before. [applause]

I am very glad to see that, thanks to the State of Cambodia's Government and the CPP, you have peace and freedom, and a prosperous life. I am thus very happy to see our nation's development under the leadership of the CPP headed by H.E. Chea Sim. I am very happy, genuinely happy. We will cooperate and work together to build the nation in harmony. Although we still have obstacles, we will be able to overcome them with solidarity and unity because we can unite and choose the right path. I am thus very satisfied with all of you and members of the CPP, and Their Excellencies our current national leaders, such as H.E. Chea Sim.

After this [applause], I would like to thank you, in my own name and in that of my wife, who is also fortunate and happy to be with you. After this, please give me a chance to express warm and profound thanks to the director in charge of this preparation in the name of our new regime, namely the State of Cambodia and the CPP. The preparation is very good. Today, we have here H.E. Yasushi Akashi, representative of the United Nations; and their excellencies our friends representing the United Nations, various organizations, and friendly countries, who are also here. Their excellencies members of UNAMIC are also here; they have come to help our nation catch up with modern times with peace and democracy. Thanks also to their excellencies from various parties, noble leaders from our big organization called the Supreme National Council [SNC] of Cambodia. Thanks also to H.E. Ieng Muli, representing the Khmer People's National Liberation Front, and H.E. Hor Namhong, who are kindly here with me. This is the symbol of our national reunification in this new era to work together to build and defend our nation.

I would like to take this opportunity to express thanks to the United Nations, UNHCR [UN High Commissioner for Refugess], and other organizations for kindly assisting Cambodia to solve this complex and important problem, namely bringing back our compatriots, who have fled for various reasons such as war, and who want to get back together with compatriots inside the motherland. This is very good. All of us should work and help our compatriots who are coming to join and work with us to build and defend the nation. We should accept them. Those outside the country—there are over 300,000 in the Kingdom of Thailand alone and many hundreds of thousands more throughout Southeast Asia, including Buddhist and Muslim compatriots—have volunteered to return to the motherland.

We are not talking yet about other compatriots in Europe, America, Canada, Australia, New Zealand, and Japan, and so on. Thus, the refugee issue is a great and extensive one. We have to strive to solve this problem for the benefit of our nation and its future because our Cambodia is small with a small population. If we are divided, we would be weak. Now we are united but we also have to bring those from outside the country to be with us in the country. This would make us even stronger. Our plan, and that of the United Nations, such as the demining operation and assistance to compatriot refugees, represent cooperation between Cambodia and the United Nations. It is a fine and most cordial cooperation with friendship and solidarity. What we are doing in other fields has also made progress.

At the moment I am visiting a center, one of six to be built in our country to receive our repatriated compatriots. There are problems at each camp to be solved, such as accommodation, water electricity, food, agricultural land, health, education, and so on. There are many problems.

But I am very pleased, let me say it again. I would like to express warm admiration and thanks to the director in charge of this, who appeared just now reporting to me, and all his colleagues for sustaining this UN program. These camps should be completed before the rainy season starts so that our compatriots can return from outside on time. I would like to again express admiration and give encouragement to the director and all his colleagues. I would like to take this opportunity to express profound thanks and respect to H.E. UN representative, H.E. UNAMIC chief, and H.E. UNHCR chief who are assisting us on the refugee problem. Thanks to all organizations that provide assistance on this matter, particularly those organizations helping us to get rid of the danger from mines. These organizations are coming to help us extract mines, show our people and citizens to avoid mines, and teach our compatriots who have goodwill and are courageous to learn the techniques to extract mines. This is a difficult technical task and can also be dangerous. Thus, thanks with admiration to everyone, foreign and local friends, who volunteered to assist our people in clearing mines from Cambodian territory in the near future because this is a great danger for us. If we want to revive our nation socially and economically in particular, we have to get rid of these mines. Our agriculture can develop only when we get rid of these mines. In Battambang Province, agricultural production this year is great. Warm congratulations to Battambang Province, the CPP, and those in charge. I am very happy with the good news about agriculture. [applause] Thank you very much, in my own name and that of my wife. [applause]

Children: Concerning land, I would like to express thanks and admiration for villagers and children in Battambang who are next to various camps, and in other provinces who live next to camps receiving refugees. You are very kind and generous. You are willing to share land, without any objection, with those repatriated as we are of the same blood. I admire Battambang Province specially for this.

The United Nations have asked refugees about the provinces they want to return to; almost all of the refugees say Battambang, Battambang [applause]. Thus, the children here have some problems because there are many refugees who want to return here and there will be problems about land, fields, and accommodation. But the children in Battambang are very up to date. They understand the hardship and the need of our nation. This is the reason why you, the children, say you agree to help our people to be repatriated from such countries as Thailand to improve their living conditions and to enable them to have a prosperous life in the future. Thank you very much indeed.

I would like to end here. I do not want you children to be in the sun for too long. May the merit of the [Buddhist] triple jewel look after their excellencies, the CPP, the State of Cambodia, their excellencies in the KPNLF [Khmer People's National Liberation Front], and all their excellencies friends, such as H.E. Yasushi Akashi, H.E. Ataul Karim, and all ladies and gentlemen foreign friends, from the UNHCR and the demining department, and all my children. May they enjoy the five Buddhist blessings. Thank you very much.

Now H.E. Yasushi Akashi, noble special representative of H.E. UN Secretary General, woud like to join with you and talk to you. Thank you.

Akashi Praises Cooperation

BK2901132180 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 29 Jan 92

[Speech by Yasushi Akashi, special representative of the UN Secretary General in Cambodia, during the visit to O Taki refugee center in Battambang Province on 27 January—recorded in English with simultaneous Cambodian translation]

[Text] Greetings to His Royal Highness [HRH] Prince Norodom Sihanouk, head of state of Cambodia and chairman of the Cambodian Supreme National Council [SNC], and his wife; His Excellency Chea Sim; and all their excellencies present here. Greetings to everyone present here.

It is extremely moving for me to have the great pleasure and honor of accompanying Prince Sihanouk to Battambang. Everybody can see the spontaneous feelings of deep affection and love which Cambodian people have toward Prince Sihanouk. [applause] This confirms to me most strongly that Prince Sihanouk is the indispensable key to national unity and peace in this country. [applause] For over 20 years the people of Cambodia have suffered more than enough. The international community wishes to express its deepest regard and support for your efforts to rebuild your country.

This reception camp at O Taki is a symbol illustrating and giving evidence of real cooperation between the people of Cambodia and the international community—more specifically, the United Nations and the UN High Commissioner Office for Refugees. I know that this camp has been built by Cambodians with Cambodian material. When your brothers and sisters from across the border—who number more than 300,000—will come here, I hope you will receive them with the warmness of heart with which you have always treated your compatriots. [applause]

As His Royal Highness Prince Sihanouk has said, before the refugees can come safely, mines have to be cleared and it is important for you to participate in mineclearing programs; and starting in February, there will be many international units who will be working with you in this program. [applause] I wish to stress our gratitude also to the efficiency and devotion of the provincial authorities of Battambang, which is one of the richest provinces in Cambodia. [applause]

I am firmly convinced that with the return of all Cambodian refugees to this country next year, we will be in a position to have free and fair elections in order to achieve the peace, national reconciliation, and prosperity which you so richly deserve in Cambodia. [applause]

It is the great, unique privilege of the United Nations and the member states who are represented here and whose distinguished ambassadors are with us today that we will be able to cooperate and join hands with you to participate in this difficult but worthwhile process of national construction and reconciliation.

Thank you very much. All the best to you all. [applause]

Chea Sim, Chea Soth Visit Battambang Province

BK2801062992 Phnom Penh SPK in French 0437 GMT 28 Jan 92

[Text] Phnom Penh 28 Jan (SPK)—Mr. Chea Sim, chairman of the Cambodian People's Party [CPP] Central Committee, of the National Assembly, and of the National Council of the Kampuchean United Front for National Construction and Defense, paid a working visit on Monday, 27 January, to Battambang, 300 km northwest of Phnom Penh.

Accompanied by Mr. Chea Soth, Standing [Committee] member of the CPP, Mr. Chea Sim visited the "O Taki" camp of repatriated people, the center for the invalids, the provincial hospital, and the seat of the UN Advance Mission installed in this province.

Mr. Chea Sim also had working sessions with responsible officials of the province.

Legitimacy of Sihanouk-Led SNC Stressed

BK2601034092 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 25 Jan 92

[Unattributed commentary: "The Supreme National Council with His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia as chairman, is the Only Legitimate and Rightful Representative in Cambodia"]

[Text] In Cambodia at present there is only the Supreme National Council [SNC] with His Royal Highness Prince Norodom Sihanouk, head of state of Cambodia as chairman. It is the supreme state authority and the legitimate and rightful representative of the entire Cambodian nation and people; there are no other state authorities in Cambodia.

The entire Cambodian people in and outside the country are happy to welcome, assist, and support only the SNC headed by the prince head of state. The United Nations, peace- and justice-loving countries and people the world over also recognize and deal only with the SNC headed by the prince head of state; they do not recognize and do not deal with any other state authorities.

Everyone wants the SNC, headed by the prince head of state and the legitimate and rightful representative, to cooperate with the UN Transitional Authority in Cambodia [UNTAC] to control the withdrawal of all Vietnamese aggressor forces from Cambodia, control all four Cambodian parties' forces, and cooperate in controlling the elections in Cambodia. Everyone wants UNTAC to come to Cambodia rapidly to quickly cooperate with the Cambodian SNC to implement the 23 October 1991 Paris agreement well, properly, and thoroughly until all types of Vietnamese aggressor forces are no longer on Cambodian territory and until Cambodia achieves genuine independence, peace, and security.

PDK Denies Hor Namhong 27 Jan Accusation

BK2901004892 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 Jan 92

[Date not given—read by announcer]

[Text] The Party of Democratic Kampuchea [PDK] has issued a denial to the accusation that it has not abided by the so-called 26 January Communique of the Supreme National Council [SNC].

1. On the morning of 27 January 1992, that guy [chhmuoh] Hor Namhong held a press conference at which he falsely charged the PDK with violating the SNC's 26 January 1992 communique. The PDK wishes to clarify that many great issues were discussed at the SNC meeting on 26 January 1992. However, no decision or any (?position) was taken on any issue;

2. The PDK, as well as the Cambodian people across the country, has never breached any provision of the Paris accord on Cambodia. Instead, they have done whatever they could to promote the implementation of the accord; and

3. Only the Vietnamese aggressors and their cronies have employed all types of maneuvers to hinder the accord's execution for the purpose of sabotaging the accord. Before the existence of the accord, they maneuvered to prevent it from being reached. After it was achieved, they continued maneuvering to block the implementation of the accord and to destroy it.

KR's Son Sen Meets With UNTAC Chief Akashi

BK2801121192 Hong Kong AFP in English 1159 GMT 28 Jan 92

[Text] Bangkok, Jan 28 (AFP)—The head of the U.N. mission in Cambodia, Yasushi Akashi, had talks with Khmer Rouge guerrilla commander Son Sen here Tuesday, a day after voicing concerns about the faction's restrictions on United Nations personnel.

Akashi had a closed-door meeting with Son Sen at the U.N. headquarters here. Neither spoke to reporters but Akashi said earlier he would be raising the issue of free movement with the Khmer Rouge commander at Tuesday's meeting.

"I must say I am not satisfied with the freedom of movement in certain parts of Cambodia," he said in Phnom Penh Monday at the end of a familiarisation tour of the country.

U.N. cease-fire observer troops were not allowed to travel in certain areas controlled by the Khmer Rouge, said Akashi, the recently appointed head of the U.N. Transitional Authority in Cambodia (UNTAC).

Earlier Tuesday Akashi had talks with senior officials from Thailand's National Security Council and Foreign Ministry. He was leaving the Thai capital on Wednesday to report to U.N. Secretary General Butrus Butrus Ghali in New York ahead of moves to deploy UNTAC as soon as possible.

UNTAC is to be the world organisation's biggest ever peace-keeping operation with a strength of up to 20,000, half of them military.

Informed sources said that Akashi was to have made the point to Son Sen that the full U.N. peacekeeping force could not be deployed in Cambodia unless the rival factions strictly respected the cease-fire. Sporadic clashes inside Cambodia are still reported from time to time.

Khieu Samphan Meets French Envoy to SNC

BK2701060592 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 26 Jan 92

[Text] On 24 January at the office of the Supreme National Council [SNC] in Phnom Penh, His Excellency [H.E.] Khieu Samphan, SNC member, received H.E. Philippe Coste, ambassador of France, a UN Security Council permanent member and a cochairman of the Paris International Conference on Cambodia [PICC].

H.E. Khieu Samphan pointed out to the French ambassador that the Democratic Kampuchea [DK] party as well as all resistance forces and Cambodians who are victims of the Vietnamese war of aggression want the Paris agreement to be implemented comprehensively so that Cambodia will regain peace and national reconciliation.

The key points of the agreement deal with:

1. The supervision of the total withdrawal of all categories of foreign forces from Cambodia.

2. The supervision of the disarming of all Cambodian factions' armed forces to create a neutral political atmosphere.

3. The supervision and organization of a free election.

H.E. Khieu Samphan stressed that the agreement should be implemented comprehensively and that it should begin with the key issues.

He noted the need for the immediate dispatch of UN Peacekeeping Force to Cambodia, beginning with the first batch of 1,000 men to Phnom Penh to guarantee a neutral political atmosphere and enable the SNC to function.

H.E. Khieu Samphan said only after the key issues have been resolved can other problems be settled successfully. He added that when the UN Transitional Authority in Cambodia [UNTAC] begins to supervise the total withdrawal of foreign forces, Cambodia will achieve national reconciliation.

H.E. Khieu Samphan told the French ambassador that there were covert violations of the cease-fire after the signing of the Paris agreement on 23 October 1991. Currently, however, there has been open violations in places such as Moung District of Battambang Province and Stoung District of Kompong Thom Province, by the Vietnamese forces which used multiple rocket launchers, 130-mm cannons, and tanks in their operation. The scale of this aggressive operation can be compared to the their 14th dry-season aggressive operation after the Paris agreement was signed.

Faced with the widespread threat of this aggressive act, H.E. Khieu Samphan appealed for an immediate dispatch of UN forces to Cambodia to supervise and begin implementing the agreement correctly and in its entirety.

Opposition Leader Ung Phan Wounded in Shooting

Wound 'Not Serious'

BK2801144192 Hong Kong AFP in English 1435 GMT 28 Jan 92

[Text] Phnom Penh, Jan 28 (AFP)—Cambodia's best-known opposition leader Ung Phan was shot three times in the back Tuesday night, doctors and family members said.

Ung Phan was outside his country home in the outskirts of the capital when two cars drove up and three bullets were fired, said a diplomatic source who declined to be identified.

Two bullets grazed his back and a third lodged behind his shoulder, said a doctor who performed the surgery.

The bullets came from a pistol, he said. Ung Phan was released from the hospital after the surgery, said the doctor who declined to be identified.

"It was not serious," he said.

Ung Phan, who was imprisoned for 17 months for starting his own political party in a one-party communist system, said last week he was continuing his political activity.

Last week, he announced the formation of his Liberal Social Democratic Party, and gave interviews to foreign journalists in order to help protect him.

"I am afraid to be thrown in prison again, or that they will try to shoot me or assassinate me," he told AFP [AGENCE FRANCE-PRESSE] last week. "The communists of this government have only changed their color."

Attack Firmly Condemned

BK2801150192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1445 GMT 28 Jan 92

["Communique of the Interior Ministry's Spokesman" issued on 28 January]

[Text] On 28 January 1992 at 1630, a murder attempt was carried out against Ung Phan, former communications minister, on the National Route from Phnom Penh to Takhmau, about three km from the Takhmau Bridge roundabout.

According to preliminary reports, Ung Phan was in the driver's seat with a small child with him; a Jeep was following him. Upon reaching directly alongside Ung Phan's car, shots were fired from the Jeep at Ung Phan; shots were again fired when the Jeep overtook Ung Phan's car. Ung Phan was wounded and is being treated in the hospital.

The Interior Ministry firmly condemns this cheap and savage crime. While the State of Cambodia's Government fully respects human rights and democracy—such as the release of political and war prisoners, the recognition of many parties, and the freedom to establish private newspapers, and so on—this brutal and savage act is clearly aimed at slandering the State of Cambodia and creating insecurity and social instability to prevent the implementation of the Paris agreement.

The Interior Ministry will conduct an investigation to find the criminals who committed this savage act.

[Dated] Phnom Penh, 28 January 1992

Vietnamese in A-3 Police Killed Phnom Penh Critic

BK2901041992 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 Jan 92

[Text] Reliable informed sources say that two men in a jeep A-3 Police used to drive, abducted Mr. Tea Bun-long on the night of 22 January from his residence. Two days later his body was found outside Phnom Penh. According to a conclusive investigation, Mr. Tea Bun-long was taken away in a car to a field outside the capital, then shot to death. The sources added that it was the secret special police force under the direct control of the Vietnamese administration's Interior Ministry in Phnom Penh that murdered Mr. Tea Bun-long.

The Cambodian people unambiguously know that the secret police force is the A-3 police organized by the Vietnamese for years for the purpose of serving their war of aggression. The people in general both in Phnom Penh and the countryside are well aware that 70 percent of the A-3 police force is Vietnamese. The Vietnamese have employed the police as their important core force to attack the resistance forces. At present, the Vietnamese continue to use the A-3 police to repress the people in the rural areas and Phnom Penh, as well as to repress Cambodian soldiers who have frequently risen up against cruel Vietnamese commanders in various units.

The attack on the residence of Their Excellencies Khieu Samphan and Son Sen in Phnom Penh on 27 November 1991 was led by the Vietnamese within the A-3 police organization; the bloody crackdown on the mass demonstrations in Phnom Penh on 21-22 December 1991 was again carried out by Vietnamese within the A-3 police organization; and the recent assassination in Phnom Penh of Mr. Tea Bun-long was also committed by Vietnamese within the A-3 police.

The people in Phnom Penh and across the country harbor a grudge against the Vietnamese enemies planted within the A-3 police.

Twelve Merchants Said Killed in Troop Clash

OW2901084692 Tokyo KYODO in English 0834 GMT 29 Jan 92

[Text] Bangkok, Jan. 29 KYODO—Twelve Cambodian merchants were killed and 38 others injured in western Cambodia when Phnom Penh soldiers clashed with forces allegedly belonging to the Khmer Rouge, a report from Thailand's border town of Aranyaprathet said Wednesday.

The incident took place last Sunday morning on national route No. 5 some 20 kilometers west of Battambang, the report quoted a Cambodian military officer at Poi Pet as saying.

The report said the alleged Khmer Rouge forces stopped a convoy of three trucks carrying Cambodian merchants from the Poi Pet border market back to Battambang and asked for money but were refused by the Phnom Penh soldiers accompanying the convoy.

The two sides then engaged in an exchange of heavy fire resulting in casualties, the report said.

Continuing Reportage on 22d National Assembly

29 Jan Communique on Terrorist Acts

BK2901112892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 29 Jan 92

["Communique of the State of Cambodia's National Assembly;" dated 29 January—read by announcer]

[Text] Over the past few days, a number of police cadres, civilian cadres, and people in Battambang Province, Phnom Penh, and a number of other provinces, have been kidnapped or killed.

These acts seriously threaten social order, public security, and also threaten the political stability and the implementation of an agreement on a comprehensive political solution to the Cambodian conflict signed in Paris on 23 October 1991.

These are terrorist activities. The State of Cambodia's National Assembly would like to publicly announce that those persons committing any kind of terrorist activities will be most harshly punished.

[Dated] Phnom Penh, 29 January 1992

Transition to Market Economy Viewed

BK2901095992 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 29 Jan 92

[Text] On the morning of 29 January, the 22d ordinary session of the State of Cambodia [SOC]'s First National Assembly continued its work according to its agenda.

On its third day of meeting, the assembly debated the report on the implementation of the 1991 state budget planning and the objective of the 1992 budget planning.

In the debate, assembly members from various constituencies presented their respective views on important major measures to transform the planned economy into a market economy for execution during the transitional period. They also discussed ways to boost the market economy. The assembly members also examined steps to implement the 1992 state budget and financial planning, muster foreign aid—including humanitarian and development aid, encourage foreign investment in Cambodia, eliminate negative phenomena and corrupt practices, and improve the efficiency of state leadership at all levels.

At 1100, the session adjourned and will resume this afternoon.

Division of Interior Ministry Noted

BK2901123492 Hong Kong AFP in English 1211 GMT 29 Jan 92

[Text] Phnom Penh, Jan 29 (AFP)—The Phnom Penh National Assembly convened this week to consider new laws and to divide the all-powerful Interior Ministry into three new ministries, according to documents obtained Wednesday.

Western diplomats said the move was designed to circumvent scrutiny when the United Nations Transitional Authority in Cambodia (UNTAC) comes to temporarily take over parts of Phnom Penh's administration and run free elections.

The peace treaty ending the civil war says UNTAC is to take control of five key areas of the Phnom Penh government—foreign affairs, national defense, finance, public security and information.

This has been widely interpreted to mean the five key corresponding ministries here, with the Interior Ministry in charge of public security.

The chairman of the National Assembly, former Interior Minister Chea Sim, is believed to still call the shots where security matters are concerned.

The National Assembly is to divide the Interior Ministry into interior affairs, national security and religion, the official news agency SPK said.

A copy of proposed legislation showed that Prime Minister Hun Sen had recommended a member of his Council of Ministers to head one of the newly created ministries, but did not give the name.

Tea Bun-long, whose murder last week was blamed by friends and political activists on hardliners in the Phnom Penh security forces, was to have been the new minister of religious affairs, his friends said.

A Khmer Rouge radio broadcast charged Wednesday that Vietnamese agents within the special A-3 forces killed Tea Bun-long.

Prince Norodom Sihanouk has called for a thorough investigation, and the Phnom Penh Government has hinted that another resistance faction may have been involved.

The National Assembly was also considering laws guiding the setup of insurance companies, SPK said.

Chea Sim was in Battambang Province with Prince Norodom Sihanouk on the day the National Assembly opened, and the session was convened by Vice Chairman Mat Ly.

Generals Make Significant Progress in Meeting

BK2401114492 Hong Kong AFP in English 1101 GMT 24 Jan 92

[By Sheri Prasso]

[Text] Phnom Penh, Jan 24 (AFP)—Cambodia's committee of generals made their most significant headway yet in the transition to peace after a 13-year civil war, sources who attended the meeting Friday said.

The generals from the four previously warring factions agreed to allow their cantonment positions to be displayed to each other on the same map, and to use the same water, medical and food supply facilities, the sources said.

The cantonment positions are barracks where demobilized, disarmed soldiers are to be stationed in the coming months.

"It's like lifting their skirts up," said one member of the committee.

"We made the most significant progress yet today," another source said.

The sources declined to be identified, saying the information should come from the Mixed Military Working Group's Chairman Brigadier General Michel Loridon. But Brig. Gen. Loridon refused to give details, saying only that "it was a very good meeting."

The members of the committee said they were surprised that Khmer Rouge General Mao Savy was able to authorise the display of cantonment positions.

At previous committee meetings, the general has said he would have to report to his superiors before giving an answer.

But Friday he agreed to the cantonment display without hesitation, the sources said.

However, all parties have not yet agreed to allow members of their opposing factions in their headquarters.

Loridon has been pushing the idea for weeks and said he was still awaiting a response.

Yasushi Akashi, head of the United Nations Transitional Authority in Cambodia (UNTAC), made a brief appearance at the meeting and appealed to the factions to adhere to the cease-fire.

Sources in the diplomatic corps said Akashi was disappointed the factions did not use the Mixed Military Working Group to discuss the most significant violation yet of the cease-fire earlier this month in the central province of Kompong Thom.

Ambassadors from the five countries permanently on the U.N. Security Council, Britain, China, France, Russia and the United States, asked him Thursday at a meeting with the Supreme National Council (SNC) to help deploy more U.N. military cease-fire observers to recent trouble spots—Kampot and Kompong Thom—where fighting has been reported.

About 13 civilians were killed, 18 seriously injured and another 10,000 people displaced by fighting between Phnom Penh and Khmer Rouge forces in early January, according to the International Committee for the Red Cross (ICRC).

"There is a feeling among us that the frequency and level of violations of the cease-fire is rising a bit," said one of the five. "In particular the incident at Kompong Thom was one that worried us all... and we wanted to find a way to prevent that sort of thing from happening again."

It was unclear whether Akashi could dispatch U.N. forces on his own or first seek permission from U.N. Secretary General Butrus Butrus Ghali.

"We feel optimistic the U.N. is going to be able to show its flag up there as soon as possible," another ambassador said.

Meanwhile official Phnom Penh radio, monitored in Bangkok Friday, said Khmer Rouge guerrillas had attacked Phnom Penh government positions in northern Cambodia earlier this month killing one soldier and wounding four others.

The fighting in Seam Reap Province occurred between January 10 and 13, the radio said, the same time that both sides were trading accusations of major truce violations in Kompong Thom, in the southeast of the province.

The Khmer Rouge, in a radio broadcast also monitored in Bangkok, said Cambodia's peace process would be stalled as long as there was no full deployment of United Nations peace-keepers in the country.

Vietnamese Reinforce Positions, Prepare Offensive

BK2901033392 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 28 Jan 92

[Text] According to a report from Kompong Thom Province, the Vietnamese aggressors and Phnom Penh faction recently marshalled 600 troops, then sent them with six tanks, multiple rocket launchers, and cannons to reinforce their positions at Tbeng and San Kor Communes in Kompong Svay District of Kompong Thom Province.

The report added that the Vietnamese aggressors, with the reinforcements, were in preparation for launching offensives against the resistance forces and to retake liberated regions from the latter during the upcoming dry season.

Kompong Thom Province's Cambodian people, who witnessed the move, wondered why the Vietnamese aggressors and the Phnom Penh faction, although a cease-fire agreement had already been reached, continued to map out attack plans. Anyway, the people were well-prepared to defend their liberated villages and communes, preventing them from being overrun by the Vietnamese aggressors.

Laos

Joint-PRC Border Committees Sign Resolution

BK2501095292 Vientiane KPL in English 0859 GMT 25 Jan 92

[Text] Vientiane, January 25 (KPL)—The heads of the Joint Border Committees of Laos and China, respectively Mr. Chaleun Valinthalasak, acting head of the Foreign Ministry's Department No. 1, and Mr. Li Wenye, ambassador attached to the Chinese Foreign Ministry, yesterday signed here a resolution adopted at a preliminary meeting of the border committees of the two sides in Vientiane between 21-24 Jan.

The meeting adopted a plan of action for common border line delimitation, survey and laying of border-marking posts along the two countries' common border over 500 km long. This will be carried out soon.

Lao Deputy Foreign Minister Soulivong Phasitthidet and Chinese Ambassador to Laos Huang Guocai witnessed the signing of the agreement.

The preliminary meeting of the Joint Border Committees was held within the framework of a border treaty between Laos and China signed on 24 October 1991 in Beijing by the prime ministers of the two countries and in response to the immediate desire of the two governments and people to make Lao-Chinese border a border of lasting peace, friendship and cooperation.

DPRK's Kim Yong-nam Continues Official Visit

Greets Kaysone Phomvihan

SK2901044692 Pyongyang KCNA in English 0411 GMT 29 Jan 92

[Text] Pyongyang January 29 (KCNA)—Comrade Kaysone Phomvihan, chairman of the Central Committee of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic, met Monday with Kim Yong-nam, vice-premier and foreign minister of the Democratic People's Republic of Korea.

The foreign minister conveyed regards and a personal letter of Comrade Kim Il-song to comrade Kaysone Phomvihan.

He also conveyed regards of Comrade Kim Chong-il to him.

Comrade Kaysone Phomvihan expressed deep thanks for this and asked the foreign minister to convey his wishes for longevity to Comrade Kim Il-song and Comrade Kim Chong-il.

He said he congratulates Comrade Kim Chong-il on his 50th birthday.

He stated that the party and government of Laos fully support the proposal for the independent and peaceful reunification of Korea put forward by the great leader Comrade Kim Il-song.

The talk proceeded in a friendly atmosphere.

Phoun Sipaseut Praises Relations

SK2801045492 Pyongyang KCNA in English 0431 GMT 28 Jan 92

[Text] Pyongyang January 28 (KCNA)—Kim Yong-nam, vice-premier and foreign minister of the Democratic People's Republic of Korea, who is staying in Laos, held talks on January 25 with Vice-premier and Foreign Minister of Laos Phoun Sipaseut.

The relations of friendship and cooperation between Korea and Laos are based on the intimacy between respected President Kim Il-song and President Kaysone Phomvihan, said the Lao foreign minister at the talks. He stated that the party and government of Laos would make all efforts to further strengthen and develop friendship and solidarity between the two countries in conformity with the demand of the prevailing situation.

He went on:

The adoption of the agreement between the North and the South is greatly conducive to the stability of the Asian situation. Laos highly appreciates the consistent policy of the Workers' Party and the Government of Korea for the independent and peaceful reunification of the country.

We will in the future, too, express full support to the struggle of the Korean people for the reunification of the country, he declared.

Departs for Home 28 Jan

BK2801130592 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 28 Jan 92

[Text] Kim Yong-nam, DPRK vice premier and foreign minister and his entourage left for home this morning after paying a four-day visit to the Lao People's Democratic Republic [LPDR] at the invitation of Phoun Sipaseut, LPDR deputy prime minister and foreign minister.

During his stay in Laos, Kim Yong-nam paid separate courtesy calls on LPDR President Kaysone Phomvihan and Prime Minister Khamtai Siphandon. He also met, consulted, and exchanged views with Phoun Sipaseut in a frank and friendly manner on the strengthening of the bilateral relations between Laos and the DPRK. In addition to meeting with the Lao leaders, Kim Yong-nam also visited several economic foundations and ruins in Vientiane Municipality and Vientiane Province.

During his meetings with the Lao leaders, Kim Yong-nam said that his visit to Laos was very significant for it served to further strengthen the relations of friendship and (?cooperation) between the LPDR and the DPRK.

Phoun Sipaseut, deputy prime minister and foreign minister and officials concerned from the Foreign Ministry were present at the airport to bid farewell to Kim Yong-nam. Chang Yong-chun, DPRK ambassador extraordinary and plenipotentiary to Laos, was also on hand at the airport to see off the DPRK delegation.

Committee Supports DPRK's Nuclear Proposal

BK2601100992 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 24 Jan 92

[Text] The Lao Committee in Support of the National Reunification of Korea recently issued a statement. The statement said:

The DPRK Foreign Ministry spokesman recently issued a statement on the DPRK Government's proposal to turn the Korean peninsula into a nuclear-free zone. The statement said: With its high sense of responsibility toward implementing a policy of nuclear weapons nonproliferation and in conformity with the strong desire of the Korean people, the DPRK Government has put forth a proposal to turn the Korean peninsula into a nuclear-free zone and has reaffirmed its unswerving determination to put the proposal into practice.

The state stressed that the United States must completely withdraw its nuclear weapons from South Korea and must immediately halt its nuclear threat to the DPRK.

In his new year message, President Kim Il-song said that it is totally unacceptable to treat the Korean problem with an obsolete cold war attitude and it is wrong to pressure us in connection with inspections for nuclear weapons. Our unchanged attitude is to turn the Korean peninsula into a nuclear-free zone of peace. It is necessary for all mankind to fight for the abolition of nuclear weapons. Therefore, the proposal to turn the Korean peninsula into a nuclear-free zone put forth by the DPRK Government is the most correct.

The state stressed that as the world public is demanding the withdrawal of U.S. nuclear weapons from South Korea and the Korean people are vehemently fighting for the abolition of nuclear weapons on the Korean peninsula, the South Korean authorities have issued a statement saying there are no nuclear weapons on its territory and that it has accepted the joint communique on the absence of nuclear weapons on the Korean peninsula as proposed by the DPRK Government. Recently, the United States praised the statement of the Korean powerholders.

In line with the sincere attitude and endeavors of the DPRK Government, the Korean people and all peace-loving nations worldwide are extremely elated to see that the nuclear weapons problem is being correctly solved.

The Lao Committee in Support of the National Reunification of Korea and the Lao people consistently reaffirm their full support and agreement with the just attitude and goodwill position of the DPRK Government as revealed in the statement by the Foreign Ministry spokesman of the DPRK, which has been making relentless efforts to achieve the unification of the Korean nation and turn the Korean peninsula into a zone of permanent peace and stability.

In conclusion, the statement said: The Lao Committee in Support of the National Reunification of Korea will do its utmost to contribute to the Korean people's struggle for the nonproliferation and elimination of nuclear weapons and the long-term common interests and peaceful coexistence of the Korean nation to create peace, security, friendship, and cooperation among countries in the world.

Assembly Chairman Leaves For Japan Trip

BK2701041992 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 27 Jan 92

[Text] On the morning of 26 January, His Excellency Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA] of the Lao People's Democratic Republic [LPDR], left Vientiane for an official visit to Japan from 26 January to 2 February 1992. This is the first visit to Japan by a chairman of the SPA and is being made at the invitation of the Japanese Government.

Accompanying His Excellency SPA Chairman Nouhak Phoumsavan are Chaleun Yiapaoheu, member of the SPA Standing Committee; Philatson, member of the SPA Standing Committee; Souban Salitthilat, member of the SPA and deputy minister of foreign affairs; and Khamsing Sai-Gnakon, member of the SPA and ambassador extraordinary and plenipotentiary of the LPDR to Japan.

His Excellency Nouhak Phoumsavan and the delegation were seen off at the airport by His Excellency Phoun Sipaseut, deputy prime minister and minister of foreign affairs; His Excellency Oudom Khatthi-gna, governor of Vientiane municipality; and His Excellency Thongsing Thammavong, vice chairman of the SPA and head of the Organizing Committee of the Party Central Committee, along with a number of high-ranking cadres.

Also on hand to see the SPA chairman off was His Excellency Shigemi Ando, ambassador extraordinary and plenipotentiary of Japan to Laos.

Before his departure, Chaleun Yiapaoheu said the purpose of the SPA chairman's visit is to further promote and expand the friendly relations and cooperation between the governments of the two countries, in particular between the SPA and the Japanese House of Representatives. The visit is also aimed at augmenting the success of His Excellency President Kaysone Phomvihan's visit to Japan in the previous year.

During their visit, the SPA chairman will hold meetings with His Excellency Kiichi Miyazawa, the Japanese prime minister; His Excellency Yoshio Sakurauchi, speaker of the House of Representatives; and His Excellency Ozawa, speaker of the Diet. He will also meet with His Excellency (Kakizawa), deputy foreign minister in charge of Home Affairs.

Philippines

Activists Hold Rally, Burn President Bush Effigy

HK2801101692 Hong Kong AFP in English 1001 GMT 28 Jan 92

[Text] Manila, Jan 28 (AFP) - About three dozen Filipino activists staged a rally in front of the U.S. Embassy in this city Tuesday where they burned President George Bush in effigy to demonstrate their solidarity with the socialist government of Cuba.

The rally was called to call for the end of the U.S. economic blockade on Cuba, although the demonstrators also attacked the presence of U.S. bases in the Philippines and warned that the United States was planning to invade Libya.

The activists, who were largely outnumbered by the riot police who had been waiting in front of the embassy, peacefully dispersed after the burning of the effigy.

Manila To Request Three Subic Base Dry Docks

HK2801044992 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 28 Jan 92

[Text] The Philippines may be able to get three dry docks from Subic Naval Base. Executive Secretary Franklin Drilon says the U.S. Government has postponed making a decision on whether or not to include the dry docks among the equipment which they will take away. Drilon said a formal notification will be made to the U.S. Government about the Philippines' wish to have the dry docks. He said the Filipino operation of ship-repair facilities depends on the availability of the dry docks. He admitted that to date the U.S. has not yet given a timetable for the dismantling of their facilities at Subic Naval Base.

Aquino Makes Statement on ASEAN Summit

HK2901100092 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 29 Jan 92

[Statement by Philippine President Corazon Aquino at Ninoy Aquino International Airport in Manila on 29 January following her return from the meeting of ASEAN heads of government in Singapore—live, in English]

[Text] Your excellencies of the diplomatic corps, my beloved countrymen: I am glad to report to you the results of my visit to Singapore, to attend the fourth summit meeting of the ASEAN heads of government and to meet with the Filipino and Singaporean community there.

With respect to the summit, three important documents were signed, namely: The framework agreement enhancing ASEAN economic cooperation, agreement on the common effective preferential tariff scheme, or CEPT, for the ASEAN free-trade area, and the Singapore Declaration of 1992. These agreements covered a broad range of issues in the political, economic, and institutional areas.

Four initiatives proposed by the Philippines during the summit were adopted, namely: The framework agreement on enhancing ASEAN economic cooperation, the proposal on continuing dialogues to develop a regional consensus on political and security cooperation, the call on the UN Secretary General for an early dispatch of the UN Transitional Authority in Cambodia [UNTAC], and regional cooperation in the development of children.

For the first time in its 25-year history, ASEAN acknowledged the importance of discussing, at the summit level, political and security cooperation on a regional basis.

To implement these agreements, I have instructed Secretary Raul Manglapus to begin consultations with our ASEAN partners and other interested countries in the region on security cooperation, including the proposal to establish an ASEAN consultative committee for defense cooperation, which I support.

We declared our support for the full implementation of the peace agreements on Cambodia signed in Paris in 1991 and the early dispatch of the UNTAC.

The economic agreements reached in the Fourth ASEAN Summit represent a high-water mark in ASEAN cooperation. We are pleased that the framework for ASEAN economic cooperation, as originally proposed by the Philippines, was adopted by the ASEAN heads of government.

The principles embodied in the framework agreement mark the path towards closer cooperation of the ASEAN economies in areas such as trade and industry, banking and finance, transport and communications, and human resource development.

We must now plan our next steps to implement the provisions of these agreements.

With respect to the establishment of an ASEAN free-trade area using the common effective preferential tariff, or CEPT, scheme, I have directed Secretary Peter Garrucho to continue active consultations with the private sector on the specific products that we can put under the CEPT scheme, either immediately or on a more gradual basis.

The fourth ASEAN summit also agreed on a number of important issues relating to ASEAN functional cooperation such as education, environment, and women.

Specifically through a Philippine initiative, the Singapore Declaration contained an official commitment to ensure regional cooperation for the development of children to realize their full potential

Also for the first time, this meeting of the ASEAN heads of government recognized the important role that non-governmental organizations play in national development.

In sum, the fourth ASEAN summit was an unqualified success.

In addition to the summit discussions, I had bilateral meetings with His Majesty Sultan Bolkiah Hassanal of Brunei Darussalam, President Suharto of Indonesia, Prime Minister Mahathir of Malaysia, Prime Minister Goh Chok Tong of Singapore, and Prime Minister Anan Panyarachun of Thailand.

In addition, I had the privilege of meeting Prime Minister Rabbie Namaliu of Papua New Guinea, President Wee Kim Wee, and former Prime Minister Lee Kuan Yew.

In all of these meetings, I expressed our country's deepest appreciation for their extension of support to the Philippines during these past six years; specifically when we were visited with natural calamities.

I also had the chance to listen to certain concerns of our Filipino contract workers and I am happy to know that, despite the difficulties of their separation from their loved ones, many of them are doing well in their present occupations.

I also took the occasion, during my visit to Singapore, to meet with its people in a luncheon tendered for me by the largest chamber of commerce in that country. I invited them to invest in the Philippines under the growth triangle concept.

In a fundraising dinner for the victims of Typhoon Uring, I thanked the residents of Singapore, both local and expatriate, for their enthusiastic response in assisting the relief and rehabilitation work launched by our government.

I am very pleased that in the three days of my visit we were able to accomplish what we had set out to do. There is still a lot of work to be done, especially in implementing the economic agreements reached at the summit, but I know that we will get our act together and we will succeed.

I wish to thank all those who prayed for a safe and successful mission of the Philippine delegation and certainly, it is good to be back home. Thank you.

De Villa Pessimistic on ASEAN Security Plan

HK2901041192 Manila THE CHRONICLE in English 29 Jan 92 p 3

[By Manny Mogato]

[Text] Defense Secretary Renato S. de Villa yesterday said moves to organize a collective security arrangement for the six-member ASEAN remained remote.

"It takes quite a lengthy procedure of consulation to get the heads of state of the ASEAN to agree to a more formal security pact or arrangement in the region," he told reporters during a news conference in Camp Aguinaldo. "One summit is not enough."

De Villa thinks that it is "too early to move into that level of relationships," citing the complex socio-economic and political conditions in the region.

Another defense official claimed that the possible entry of socialist states, like Vietnam, Laos, Myanmar [Burma] and Kampuchea into ASEAN would complicate the security issues.

The ASEAN was organized in 1967, not only to promote economic and political ties but also to fight the spread of communism in the region. It actually replaced the much larger Southeast Asia Treaty Organization (SEATO), which was bannered by the United States and Great Britain.

De Villa said the existing bilateral defense and security relations among Asean nations would be adequate to deter foreign power aggression in the region.

But he would support moves to strengthen these bilateral relations through joint exercises, training, regular exchange of intelligence, and closer cooperation and coordination in other security issues, like drugs and international terrorism.

Other senior defense and military officials interviewed by THE CHRONICLE favored creating a web of bilateral and multilateral defense and security relations among the six-member Asean, which would involve joint venture in development and production of defense materials as well as technical and technological exchanges.

They however, opposed moves to include superpowers in the defense arrangements, like the United States, because this would only invite intervention from other foreign powers.

The Philippines has joined Indonesia, Malaysia, and Thailand in rejecting basing of foreign troops in the region, honoring their commitment to the concept of Zone of Peace, Freedom, and Neutrality (Zopfan).

Only Singapore and Brunei appeared to be in favor of continued but limited U.S. presence in the region.

De Villa said the country is not prepared for any collective security arrangement in the region because it still has to develop its own military capabilities.

Estrada Formally Files for Presidency

HK2701130792 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 27 Jan 92

[Text] Senator Joseph Estrada, one of the most esteemed presidential aspirants, ended all speculation about his candidacy when he formally filed his certificate of candidacy with the Commission on Elections this morning. In an interview, Estrada said he is determined to help his countrymen in full capacity, [preceding three words in English] thus his decision to push through with his presidential bid. He will be running under his own party, the Party of the Filipino Masses [PMP]. Here is part of Senator Estrada's statement:

[Begin Estrada recording in English, in progress] ...to end up all speculations. And this is the moment to prove that I am determined to serve the Filipino people in my humble capacity. [end recording]

Estrada, however, failed to name his vice president. He said he is still considering former Postmaster General Jose Roilo Golez and several other possible aspirants.

[Begin Estrada recording in English, in progress] ...Well, not yet. We have been reconsidering Mr. Roilo Golez and others. We attracted [word indistinct]. And I think before, what's important is that I was able to file my running mate. [end recording]

Estrada also added that the discord that is now taking place in the different political parties, especially with the ruling party, is a great advantage to him. He also accused Ramos of not being true to his word, as in the case with Speaker Ramon Mitra, Jr.

In related news, Estrada confirmed the resignation of Senator Ernesto Maceda as PMP secretary general.

Voter Registration Suspended in Mindanao Areas

HK2901083192 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 28 Jan 92

[Text] The Commission on Elections [Comelec] has suspended the February 1 voter registrations in three provinces and a city in Muslim Mindanao. The Comelec said this was necessary because of fraudulent voter lists used in those places in the 1987 congressional election and the 1988 local polls. Registration has been suspended in Sulu, Tawi-Tawi, Lanao del Sur, and Marawi City. The Comelec announced that voters' affidavits would now be used because it was discovered that toeprints had been placed on past registration forms instead of fingerprints.

Imelda Marcos Reported Arrested on New Charges

HK2901102192 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 29 Jan 92

[Text] Former First Lady Imelda Marcos was arrested on three new criminal charges; however, she is expected to be released once bail is posted.

The arrest is in line with the three criminal cases filed against Mrs. Marcos for violating Central Bank rules. Bail was set at 10,000 Philippine pesos for each case.

Mountain Offensive Resumed Despite U.S. Hostage

HK2901023992 Manila THE CHRONICLE in English 29 Jan 92 p 7

[By Manny Mogato]

[Text] Government troops have been ordered to resume their offensive tactical operations in the mountain villages of Kalinga- Apayao dousing hopes for the release of a former American serviceman held captive by communist guerrillas in northern Luzon.

Armed Forces Chief Gen. Lisandro Abadia has asked his troops to ignore the guerrillas' threat to harm the hostage and, instead, pressure them to free, unharmed, their three hostages. The other two hostages were army soldiers captured during an encounter in the area almost a year ago.

The rebels demanded an immediate pullout of military troops in at least two towns in Kalinga-Apayao, to pave way for the release of their three hostages.

But Abadia has rejected their demands.

"If they insist on those demands, there is no need for further negotiations," Abadia told reporters after he addressed the Chamber of Filipino Entrepreneurs at the Cattleman Steakhouse in Manila. "I am very sorry for Mr. Drown ... but that is the name of the game dahil baka marami pang mamamatay sa amin ka-palit ni [because many of us may die in place of] Mr. Drown."

Drown was taken captive in Oct. 1990 when a guerrilla band, manning a checkpoint along the highway leading to Aparri in Cagayan, intercepted him and his Filipino companion.

A former U.S. Marine captain [rank as published] who saw action in the Korean War in June 1950, he was suspected by the guerrillas of being a government "spy."

Church leaders in Tuguegarao have initiated talks with the New People's Army rebels holding Drown to facilitate his safe release, but the negotiations bogged down when the rebels demanded a complete withdrawal of government forces.

PNP To Establish Satellite Communication Network

HK2801071292 Manila BUSINESS WORLD in English 28 Jan 92 p 10

[Text] As a part of its five-year modernization program as well as in an effort to increase its communication effectiveness, the Philippine National Police (PNP) is planning to establish a P [Philippine pesos] 70-million nationwide satellite communication network.

In a statement, senior superintendent Rufino Ibay Jr. of the PNP Computer and Telecommunications Task Group reported that PNP director general Cesar Nazareno is currently studying and evaluating the project proposals submitted by Uniphil Corporation, the local representative of American Telephone and Telegraph Company (AT & T), and Clavecilla Corporation, the local partner of another U.S.-based Hughes Corporation.

"However, no contract has yet been awarded, because the taskforce is still looking for other offers that would closely meet the recommended specifications which is a government standard procurement procedure," Mr. Ibay stressed.

Among the procurement specifications are the availability of square parts for at least ten years and the training of personnel in the operation and maintenance of the system, he added.

The planned satellite communication system, which is part of PNP Five-Year Integrated Development Plan for Telecommunication and Computerization, involves the setting of a central coordinating center at Camp Crame that will serve as a linkage to the 14 regional and 74 provincial police commands through the soon-to-be-installed very small aperture terminals (VSATs).

The VSAT satellite technology is currently being used by the police in Europe, U.S. and other Asian countries. It is capable of transmitting voice and data communication.

At present, the country's commercial banks are using the similar technology for its automated teller machines.

"The establishment of the project would result in a more reliable and faster communication link with PNP field units and will be a substantial boost to the overall operational effectiveness of the counterinsurgency and anti-criminality campaign of the command," he further said.

Muslim Party To 'Declare War' Over Power Plant

HK2801111492 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 28 Jan 92

[Text] The Bangsa Moro Islamic Party [BMIP] threatened to declare war against the government the moment it allows the operation of the Agus I [power plant]. BMIP Chairman Datu Firdausi I.Y. Abbas said the BMIP will push through with their declaration of war once the power plant begins operation. He said the resolution sanctioning this declaration has already been prepared by the BMIP executive committee.

According to the Muslims, they will not allow the operation of Agus I to cause the death of fish and other sea creatures in Lake Lanao.

Abbas also lambasted the government for its indifference to Lanao del Sur and Lanao del Norte Provinces, when 90 percent of the energy needed by Mindanao comes from these two provinces.

Official Iterates Conditions For DPRK Ties

HK2801062392 Manila BUSINESS WORLD in English 28 Jan 92 p 10

[Text] The Philippines is closely watching the results of secret consultations between North Korean and U.S. officials held in Washington recently, a senior foreign affairs official disclosed.

If Pyongyang accedes to international inspections of its nuclear facilities and commits that no weapons will be produced by such, the Philippines will proceed to establish diplomatic relations, he said.

Last June, in a somewhat precipitate manner, Foreign Affairs Secretary Raul Manglapus committed the establishment of "full diplomatic relations with North Korea at the earliest possible date in 1991." The statement was made in a joint communique issued during a call on the foreign secretary by North Korean Deputy Prime Minister Kim Tal-hyon.

The North Korean was accompanied by Rep. Jose de Venecia. Sources said the congressman was "exploring commercial prospects in steel and cement ... with Pyongyang."

Seoul reacted angrily. In a diplomatic protest, South Korea complained that its Embassy here was not given "ample time to be informed" of the visit and the elements of the communique prior to its release.

Sources also revealed that U.S. and Japanese diplomats had counseled the DFA to "go slow" on the matter of effecting ties with North Korea.

Joint Exploration in Spratly Islands Supported

HK2701063092 Manila PHILIPPINES NEWSDAY in English 27 Jan 92 p 7

[By Arthur I. Bariuad]

[Text] The Philippines remains committed to strike a deal with other claimant-countries for the joint exploration and development of the Spratly Island Group to avert the possible eruption of hostilities there, the Department of Foreign Affairs (DFA) said yesterday.

The Foreign Office at the same time welcomed the announcement made in Kuala Lumpur Tuesday by the Malaysian and Vietnamese Governments to jointly develop their territorial claims in the Spratlys, saying it was a first step toward reducing the tension in the area.

Assistant Secretary for Legal Affairs Jorge Coqula said in a telephone interview the "agreement between Malaysia and Vietnam to jointly develop their claims in the Spratlys is a good sign."

"That only shows that they are complying with our 'gentlemen's agreement,'" he added. The Malaysian-Vietnamese accord was reached early this week during the visit of Vietnamese Foreign Minister Nguyen Mahn Cam in Kuala Lumpur.

Coqula, a former justice of the Court of Appeals, stressed that the joint undertaking of Malaysia and Vietnam "is a sign that the tension in the South China Sea is easing."

However, tension is building up in the Spratlys following China's assertion of its sovereignty in the islands. Last week, a Chinese delegation, the largest ever, erected a marker symbolizing Beijing's "sovereignty over the Spratlys and surrounding waters and as a proof that our determination to protect and develop the Spratlys cannot be shaken."

Before the Malaysian-Vietnamese announcement of an agreement to develop their claims, the Philippines also said it would build bases in all eight islands it occupies to strengthen its defensive capability in the wake of a recent oil strike in West Linapacan, Palawan.

The Philippines laid its claim on the eight islands which it calls the Kalayaan group in 1978 by virtue of Presidential Decree No. 1596 signed by the late President Marcos.

Last July, Indonesia invited all claimant-countries for "unofficial talks" in Bali in an effort to avert the possible resumption of hostilities in the disputed islands.

Thailand

Chaloem Says U.S. 'Blacklisted' Former Official

BK2801163892 Bangkok THE NATION in English 28 Jan 92 p A1

[By Thirayuth Saengsuwan and Narongsak Bunyaphatra]

[Text] Muanchon Party leader Pol Capt [Police Captain] Chaloem Yubamrung claimed yesterday that a former Cabinet member who is now leading a political party has been blacklisted by the US government for alleged involvement in drug trafficking.

Chaloem refused to name the politician.

He said that he had mentioned the former Cabinet member's background during a no-confidence debate when his party was in the opposition and Gen Chatchai Chunhawan was prime minister.

"People asked me who the minister was and I said I could not identify him because I did not see with my own eyes his involvement in the drug business.

"But these days, if anybody wants to know who he is, they can find [out] from the US Embassy," he said in an interview last week.

Chaloem said he did not know whether the former Cabinet member's party had connections with the National Peacekeeping Council (NPKC).

Reliable sources have confirmed that the politician in question applied for entry visa to the United States shortly after the coup last year but was turned down at the recommendation of the US Drug Enforcement Administration.

Chaloem said he had revived the previous accusation to prove that he had not told a lie.

Chaloem, who recently returned from political asylum in Denmark, also dismissed the rumour that he had cut a secret deal with the military in exchange for a guarantee of his safety after his return.

He said that NPKC Chairman Gen Sunthon Khongsomphong, who he said he highly respected, had never asked him to do anything in exchange for his safety.

Chaloem also denied speculation that he was being used by the military as a "political gunman" to attack new Aspiration Party leader Gen Chawalit Yongchaiyut, whose relations with the military turned sour after the Feb 23 coup.

"How could Gen Sunthon ask me to do that when he and Gen Chawalit are very close to each other?" he said.

When Chatchai was in power and Chawalit was in the Cabinet as deputy prime minister and defence minister, Chaloem provoked an uproar in the military by launching broadsides against Chawalit.

That led to Chawalit's resignation from the Cabinet, and antagonized Sunthon and the top brass.

Chaloem also denied he had any intention of seeking revenge against some of the military leaders who had accused him of tampering with the 1982 assassination case.

The military cited the charge as one of the key reasons for staging the Feb 23 coup which forced Chaloem to flee the country and take UN-assisted political asylum.

Chaloem said it was a "lesson" which he would remember for the rest of his life.

"I would never let that happen to me again," he said.

But he said he would not settle scores with anybody for that matter.

"My solution to political vendetta is to let bygones be bygones," he said.

Chaloem, nonetheless, could not help criticizing Police Director General Pol Gen Sawat Amonwiwat.

"Politics can change the police director general," he said.

Asked to clarify the statement, Chaloem said it had been shameful for the Police Department under Pol Gen Sawat to seek his extradition on criminal charges after he had been accepted as a political refugee.

Sawat had served under Gen Chatchai Chunhawan before the coup.

Chaloem contended that he could not distort the assassination case because he was not a police investigator who has the responsibility of doing investigative reports based on testimonies by witnesses.

He also said that the two former communist insurgents who made the about face were defendants, and not witnesses.

It was the duty of an MP to listen to grievances aired by anybody, he said.

"If what I did was a distortion of the case and a criminal act, then all MPs must also face the same charge," he argued.

Chaloem, who also had assets worth about Bt60 million ordered seized by the Assets Examinatoin Committee dismissed the charges as groundless.

He said the announcement by the committee had tarnished his reputation and caused damage to his family.

That was why, he said, he felt it an obligation to run in the next election, to let the people decide whether he was guilty or not.

But he said he would not seek any revenge against the committee which is mainly composed of bureaucrats.

"Politicians have to listen to the people while bureaucrats have to obey their superiors.

"They are in a different position so I cannot blame them," he said.

Chaloem said his party would field no fewer than 140 candidates in the election.

He said it was premature to predict the political picture after the general election because the results of the poll would be the key variable to the overall political scheme of things.

But he said he believed that the House would not be dissolved too soon as a result of political turmoil anticipated by some analysts.

Instead, he predicted, the government would be changed.

The Senate, which has the interim constitutional power to oust a government, would play the role in changing the government, avoiding the dissolution of the House, he said.

"But that is they way it is in Thai politics. You can hardly see a government which can serve its full four-year term in office," he said.

Amendments to Criminal Code on Defamation Examined

BK2901022592 Bangkok THE NATION in English 29 Jan 92 p A8

[Editorial: "A Free Society Has No Fear of the Truth"]

[Text] The surreptitious way in which the Anan Cabinet approved the two amendments to increase penalties for defamation was a characteristic departure from the principle of transparency in government decision-making which Prime Minister Anan Panyarachun has so passionately professed.

The Anan Cabinet approved the controversial amendments on Jan 14. But it wouldn't let the public know, apparently for fear of arousing early opposition. On Jan 15 the Prime Minister submitted the amendments to the National Assembly President and requested that they be treated as urgent matters. The amendments were placed among the minor bills due for consideration on Jan 24. Reporters received some tip-offs about the two amendments on Jan 23 and saw the actual draft bills the following morning when it was already too late.

On Jan 24 morning the National Assembly passed into law without much debate the two amendments to the Criminal Code, and to the Civil and Commercial Code to increase the penalties for defamation. The Criminal Code's previous maximum penalties for defamation was one year in jail and/or a fine of up to Bt20,000. It has been increased to two years in jail and a fine of up to Bt200,000. This is quite a tough penalty, especially when the jail term is mandatory.

At the same time the Civil and Commercial Code's limit of compensation for defamation remains at the discretion of the court based on the severity of the violation and its effect. However, if the violation is committed by or through a member of the mass media, the minimum compensation is fixed at 20 times the maximum fine for the same offence in the Criminal Code—Bt4 million. Moreover, higher compensation is permissible if the plaintiff can prove that the defamation has caused damages worth more than Bt4 million.

It is debatable if this new law is constitutional as it discriminates against the mass media by singling them out for the unusually high fine. The same offence if committed by an individual or a legal entity outside the mass media carries no such mandatory fine of Bt4 million. Normally the maximum fine for defamation in the mass media is only twice the maximum fine for ordinary defamation.

It is true that the mass media has a much higher potential to cause damage than any individual. But if punishment is to vary in accordance with the potential and responsibility of a culprit, then we can argue that a prime minister who is guilty of abuse of power deserves worse punishment than, say, a deputy prime minister or a minister, and likewise a general guilty of corruption must face higher penalty than a noncommissioned officer. When such unequal treatment goes to the extreme—like it did in the new defamation law—it violates the constitutional guarantee of equal protection under the law.

More than anything else the new defamation law is designed to muzzle the free press. And the Reporters Association of Thailand has correctly interpreted it as such and is vigorously protesting it.

The new law also ties the hands of all the judges in the Civil and Commercial Court by fixing the fine at a minimum of Bt4 million if a plaintiff, regardless of his or her social and political standing, is found to have been defamed by a member of the mass media. The Bt4 million fine appears mandatory and no further cross-examination of witnesses in the Civil and Commercial Court is necessary if the defendant was already found guilty in the Criminal Court. The cross-examination will be held only when the plaintiff demands higher compensation.

The lure of the Bt4 million coupled with the power elites' long-standing disdain for the free press will probably trigger a terrible avalanche of defamation law suits against journalists and editors as soon as the new law is published in the Royal Gazette. This puts the press at an extremely precarious position due to the bias against the mass media in the new law.

Even Prime Minister Anan himself sometimes shows his disdain for the Thai press. And Deputy Prime Miniser Michai Ruchuphan harps on the contention that the responsible press has "nothing" to fear from the new law, as it is aimed only at those who manufacture lies and spread groundless malicious accusations against others.

The Bt4 million fine, according to Michai, is needed to cover potential damages that modern mass media can cause in defamation. And the hush-hush amendments to the defamation laws were merely part of the Anan Cabinet's efforts to move the backlog of government bills pending in the legislature.

But it does seem that the Anan Cabinet is fixated on clamping down on the mass media. Some Cabinet members even went to the length of advocating a minimum fine of Bt8-10 million for defamation in the mass media. Notwithstanding all of their public utterances upholding the freedom of expression and freedom of information, and the belief that "press freedom is a thermometer of democracy", these Cabinet members are authoritarian at heart. They have neither real understanding of the role of freedom of expression in a democracy nor tolerance for open criticism and dissent.

True, this newspaper did call for a sizeable increase in the fine for defamation as a deterrent against irresponsible journalism after the draconian press control law Decree 42 was abolished by the previous government.

But we didn't expect an increase of this magnitude, even less a new law that openly discriminates against the mass media in defamation lawsuits.

We may very well ask why not increase the penalties on many other offences, like corruption, drug trafficking, gambling and profiteering? Why only the exceptionally high fine for defamation by the mass media alone?

To be fair, the Anan Cabinet must now speed up the freedom of information legislation so that the mass media will have legal protection when they seek and publish information that the public is entitled to know and the government is obliged to give. Without the freedom of information law and in the face of costly defamation lawsuits, the mass media cannot freely seek truth.

Consequently whoever is in power will have the monopoly on truth. If a fairly decent civilian-led government like the Anan administration dares to practice economy of truth some of the time, imagine what a greedy military dictatorship or a coalition government of corrupt politicians would do to the truth when there is no free mass media to challenge them.

Vietnam

Foreign Minister, DPRK Counterpart Hold Talks

BK2801151592 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 28 Jan 92

[Text] On the afternoon of 28 January 1992 at the government guest house, Foreign Minister Nguyen Manh Cam held talks with DPRK Foreign Minister Kim Yong-nam.

Attending the talks on the Vietnamese side were Tran Quang Co, first deputy foreign minister; Nguyen Van Khieu, head of the Northeast Asian Affairs Department; and a number of high-ranking Foreign Ministry officials.

On the Korean side were Deputy Foreign Minister Cho Kyu-il; Yi Hong, DPRK ambassador to Vietnam, and (Ma Chon-to), deputy head of the First Department of the DPRK Foreign Ministry.

Both sides informed each other of the situation in each country and exchanged views on bilateral ties as well as on regional and international issues of common concern. The talks took place in an atmosphere of friendship, cooperation, and mutual understanding.

On the evening of 28 January, Foreign Minister Nguyen Manh Cam gave a reception in honor of Foreign Minister Kim Yong-nam and his entourage. Attending the reception were Comrade Nguyen Khanh, vice chairman of the Council of Ministers; Comrade Tran Quang Co, first deputy foreign minister; and many other high-ranking Vietnamese cadres.

The DPRK ambassador to Vietnam and other DPRK Embassy officials also attended the reception.

Charges of Troops Remaining in Cambodia Denied

BK2901113992 Hanoi Voice of Vietnam in English 1000 GMT 29 Jan 92

[Station commentary]

[Text] Of late, there have been reports that Vietnamese troops still remain in Cambodia and that the Vietnamese-Cambodian relations have turned sour, not as close as it used to be. On this issue, the radio contributes this comment:

For more than a week, the question of Vietnamese troops in Cambodia again appears in the foreign press. However, this report has turned out to be coming not from major news agencies but sources close to Khieu Samphan, a Khmer Rouge leader.

Despite their confirmation that Vietnamese troops remain in Cambodia, they failed to produce any concrete evidence of this. It is necessary also to note that their allegations were made during recent flare up of clashes among different Khmer factions in the province of Kompong Thom.

In fact, Vietnam completed its troop pullout in September 1989. Many foreigners who come to Cambodia during these days all confirm that not a single Vietnamese troop remains in Cambodia. They also hold that Vietnam's troop withdrawal made a breakthrough in the solution to Cambodia. This action led to the signing of the Paris accord on Cambodia.

Late last week Cambodian Prince Norodom Sihanouk, after an inspection tour of some localities, said that he saw no Vietnamese soldiers in Cambodia. It is easy to see that the reports on the continued presence of Vietnamese troops in Cambodia are fabricated. Obviously, they have been created to cover acts of war in some parts of the country to damage the traditional relations between Vietnam and Cambodia and to prevent the implementation of the Paris peace accord.

It is true that relations between Vietnam and Cambodia have changed, but not for the worse. Since the conclusion of the Paris peace accord, Cambodia has entered a new stage of peaceful reconstruction. Therefore, these relations are characterized by friendship and cooperation on an equal footing with mutual benefits. Vietnam, as always, maintains the principle of respect for the sovereignty of Cambodia and self-determination of the Cambodian people. Recent visit to Cambodia by Vietnamese Foreign Minister Nguyen Manh Cam demonstrates the fact that the Vietnamese-Cambodian ties are growing to (?edify) both peoples.

Prince Sihanouk has highly appreciated the Cambodia visit of the Vietnamese diplomatic chief and praised the traditional Vietnamese- Cambodian relations, describing them as a vital issue to the two nations. On this occasion, the prince recalled the beautiful memories he shared with the Vietnamese leader and people in the past and voiced the hope for the continued development of the friendship and cooperation between the two countries.

There remain outstanding problems in bilateral relations. During last week's visit to Cambodia by the Vietnamese foreign minister, the two sides agreed to solve these problems through negotiations and on the basis of respect for each other's independence and sovereignty in conformity with the legitimate interests of each side and mutual benefits. While confirming their desire that strictly abides by the Paris peace accord, both sides unanimously agreed to expand their cooperation in economy, trade, culture, science, and technology. The protocol in Cambodia ushered in a new period for Cambodia while creating conditions and paving the way for a new era in the relations between the two countries, the traditional relations permeated with friendship, equality, cooperation, and mutual benefits, contributing to peace, stability, and prosperity in Southeast Asia.

Indian Envoy's Speech Urges Continued Cooperation

BK2801100592 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 26 Jan 92

[Speech by Indian Ambassador to Vietnam Shama Jagdish Chandra on the occasion of the 26 January National Day of the Republic of India, place not given—recorded in English, with simultaneous translation into Vietnamese]

[Text] On this happy occasion of the 42d anniversary of the Republic of India Day, I convey the best wishes of the Indian people to the Vietnamese people. On this day in 1950, we passed a constitution founding the modern Republic of India. As mentioned in its preamble, the constitution secures freedom and equality for all Indian citizens. The constitution has met all the demands of the socioeconomic changes within a democratic environment.

Since our independence in 1947, we have accomplished the great task of rebuilding our country. We are satisfied to note achievements scored in modernization and industrialization. India today is ranked among leading countries in terms of industrial production. Jawaharlal Nehru, the first prime minister of the Republic of India and also our national architect, was fully aware of the importance of science and technology in our country's current development. In the last four decades since gaining its independence, science in India has made long progressive steps, showing its achievements in the fields of space research, nuclear energy, and production structure.

We also clearly realize that improvement in agriculture is of utmost importance in the modernization of our economy. The green revolution was the result of this agriculture development movement. A white revolution is underway to improve milk production and attention is being given to advance research in biotechnology to further accelerate the agricultural progress.

To make the economy to be more energetic and the industry more competitive, the new government of Prime Minister Narasimha Rao—who was elected in the 10th parliamentary election in late May 1991—has been implementing many measures to restructure national finances. This has given new vitality to our economy. Indeed, we are happy that we have been able to overcome the economic difficulties and trade deficit created by the Gulf crisis last year. That proves the capacity for recovery and the traditional strength of the Indian economy.

India and Vietnam have a long history of friendship and cooperation and our relations are continuing to develop. Last year was an eventful year in bilateral relations. The official visit to Vietnam by President Venkataraman in April 1991 marked a new page in our relations. The welcoming speech to the Indian prime minister clearly stated the warm feelings toward the Indian people by the Vietnamese people.

It is a matter of deep satisfaction to know that Vietnam has achieved many initial results in its renovation policy. We wish you every success in your national reconstruction. As a long-time friend, we would like to participate in your efforts with our capacity and technology. We believe that because of similarities in economic development, our experience will be most relevant to you and we are delighted to share our experience with you.

We are also making a modest contribution by offering 110 scholarships to Vietnamese students in the fields of nuclear energy, remote sensing, agriculture research, foreign trade, banking, and micro-agriculture development. Every year, approximately 22 percent of the trading assistance under the Indian Technical and Economic Cooperation Program is extended to Vietnam.

To sustain and further develop our friendly relationship, we need to strengthen our economic cooperation. The equipment and machinery displayed in the recently concluded Quang Trung International Fair in Ho Chi Minh City clearly showed the vast scope for cooperation between our two countries.

President Ho Chi Minh and Jawaharlal Nehru laid a foundation for our friendship. It is now our responsibility to build a stable building on that foundation. I am sure that we will develop our trade relationship and our friendship will grow from strength to strength in the coming years.

It is very interesting that the Indian National Day is always close to Vietnam's new year. Therefore on this occasion, I wish all the Vietnamese friends a year of happiness and prosperity. Thank you.

Interview Examines Bilateral Relations

BK2801032192 Hanoi Voice of Vietnam in English 1000 GMT 27 Jan 92

[Excerpt from interview with Indian Ambassador Jagdish Chandra Sharma by unidentified reporter on Indian National Day; place and date not given—recorded]

[Excerpt] [passage omitted] [Sharma] The prospects for future cooperation between our two countries are very bright. Vietnam has already made considerable progress under the policy of doi moi and is now fully engaged in reconstruction. India is uniquely placed to join hands in this effort of reconstruction since we faced similar problems and have acquired a lot of relevant experience and know-how for solving these difficulties.

Our trade, though still not satisfactory, has shown some improvement in the last three years. We are also extending substantial training assistance in Vietnam. Every year about 110 Vietnamese are sent for training to India under the Indian technical and economic cooperation program. The fields of training are very broad and include some very sophisticated areas like atomic energy, remote sensing, agricultural research, and informatics.

So, I am very optimistic about our future relations. We have identity of views on most such things. We have no differences of any kind and we therefore look forward to cooperating in the same way for economic reconstruction as we cooperated for political independence.

Improvement of Relations With ASEAN Viewed

BK2801115392 Hanoi Voice of Vietnam in English 1000 GMT 28 Jan 92

[Station commentary]

[Text] The relations between Vietnam and ASEAN member countries continue to develop. Recent official visit to Malaysia by Vietnamese Premier Vo Van Kiet shows that in 1992 Vietnam and the ASEAN will share the same view on many fields. On this issue, our radio has this to say:

Vietnamese Foreign Minister Nguyen Manh Cam in a recent interview with our radio correspondent said that in 1992 Vietnam will continue to follow a diversified foreign policy, making friends with all countries, especially those in Southeast Asia. Reality shows that Vietnam is striving for this purpose. Last week, Vietnamese Premier Vo Van Kiet paid an official visit to Malaysia, the fourth ASEAN country he has visited within the last three months. He planned to visit the Philippines and Brunei next month. The Vietnamese leader was warmly welcomed by those ASEAN countries who have admitted the role played by Vietnam in the region.

Vietnam has participated in many activities organized in the region. The ASEAN countries welcome Vietnam's accession to the Treaty on Amity and Cooperation in Southeast Asia. According to Singapore Foreign Minister Wong Kan Seng, procedure for admitting Vietnam into the treaty will be arranged in the near future. Vietnam and the ASEAN countries have shared the same view on their friendship and cooperation. Most of the countries in the region wish for the constant growth of their cooperation, especially in economic field with Vietnam. They are unanimous with the view that a prosperous, dynamic, and peaceful Vietnam having constructive relations with neighboring countries will be a positive force in the region.

For this very reason, Vietnamese Premier Vo Van Kiet's official visits to Indonesia, Thailand, and Singapore last year, and his recent visit to Malaysia were successful. Vietnam and Malaysia agreed to open up a new stage in bilateral cooperation. Malaysian Prime Minister Mahathir Mohamed will pay an official visit to Vietnam. This will be the first Vietnam visit by a Malaysian government leader.

In 1992, Vietnam continues to carry out its renovation in all fields. Meanwhile, ASEAN countries are taking daring economic measures. Vietnam and ASEAN have realized their role and cooperation in the region and the ASEAN countries have reaffirmed their readiness to share experiences in national construction and development with Vietnam.

The new fine time between Vietnam and ASEAN countries will give an impetus to the development of the friendship and cooperation in the region. This conforms to Vietnam's open door policy in the interest of regional peace and cooperation.

Italian Foreign Minister on Rome-Hanoi Ties

BK2801051392 Hanoi Voice of Vietnam in English 1000 GMT 6 Jan 92

[Text] Italian Foreign Minister Gianni de Michelis says he is optimistic about changes for the better in Vietnam. He was speaking in an interview with the army paper QUAN DOI NHAN DAN on Sunday [5 January]. Following is the main content of the interview.

Asked to compare this visit, the second one, with the previous visit in 1989, Minister de Michelis said: The visit takes place in the context of great political changes around the world, including those in Southeast Asia, particularly the new situation in Cambodia and development of relations between Vietnam and China and ASEAN countries. More significant is the situation in the former Soviet Union. These developments, according to Minister de Michelis, have great impact on Vietnam. All these are quite different from those two years ago.

The Italian chief diplomat also said bilateral ties are growing between Vietnam and the European Community nations, particularly those between Vietnam and Italy. Therefore, Italy is expanding cooperation with Vietnam. In recent years Italy has been one of the first European countries to cooperate and assist Vietnam.

On the current situation in Vietnam, the Italian foreign minister said this time he has seen great changes including the amendments to the constitution, the policy of doi moi or renovation. All these, he said, have prompted him to pay a second visit to Vietnam which, he believes, will help strengthen bilateral Italy-Vietnam ties and will be followed to visits to Italy by Vietnamese leaders, first of all the one by Premier Vo Van Kiet.

He said during this Vietnam visit the two sides will discuss strengthening bilateral ties and cooperation. Italy's aid to Vietnam is now the greatest among EC countries. He commits to the Vietnamese leaders that Italy will further expand direct cooperation with Vietnam. Italy has so far provided Vietnam with a total aid package of $140 million in which $35 million is non-refundable aid and $105 million loan with a low rate of interest. In the future Italy will assist Vietnam in industrial and agricultural projects and some social projects. Italy will help some major cities of Vietnam.

On Vietnam's foreign policy, Mr de Michelis said Vietnam's reform policies in the background of the present day world and in the region will facilitate it to move forward. The normalization of Sino-Vietnamese relations is counted as a positive factor, he says. According to him, trade ties have been good between China's southern provinces and Vietnam. The strengthening relations between Vietnam and ASEAN countries will help provide more investment capital for Vietnam from countries like Thailand, Singapore, and moreover help Vietnam carry out successfully the home and foreign policies.

Vietnam is a potential exporter. Increased cooperation between Vietnam and Italy and other EC member countries will help Vietnam develop these potentials.

To end his interview, the Italian foreign minister said he is optimistic about positive changes in Vietnam and that the Vietnamese people, who have sacrificed greatly for their independence and freedom, must be assisted to boost the economy and rebuild the country.

Papua New Guinea

Rebel's 'Pirate' Radio Station Declared Illegal

LD2801224192 Wellington Radio New Zealand International in English 0800 GMT 28 Jan 92

[Text] Mr. Genia [acting Papua New Guinea prime minister] warned that the rebels' new radio station Radio Free Bougainville is illegal and the government will put it off the air. Mr. Genia says the pirate station is illegally using an international frequency which Papua New Guinea can be penalized for by the International Telecommunications Union.

Port Moresby has denied a charge made on Saturday by the radio in its first broadcast that 500 Papua new Guinean troops had landed on the island's north east coast with the intention of freeing the hijacked vessel Cosmaris.

Bougainville Rebels Reportedly Torch Seized Ship

BK2901061692 Melbourne Radio Australia in English 0500 GMT 29 Jan 92

[Text] The Bougainville Revolutionary Army [BRA] has reportedly set fire to the supply ship Cosmaris, that it seized almost three weeks ago. Papua New Guinea [PNG] Prime Minister Rabbie Namaliu, speaking in Port Moresby after arriving back from the ASEAN summit in Singapore, describe the burning of the ship as an act of terrorism. Mr. Namaliu said if the report proved to be correct the BRA had effectively halted any future relief efforts to the island.

[Begin Namaliu recording] Obviously it demonstrates the position of a group of people who are no longer... [changes thought] who have lost all sense of rationality, who are now turning to acts of terrorism to achieve their objectives and are prepared to put at risk (?assets), such as the Cosmaris, if those reports that I hear is true, and also all of the humanitarian assistance that the international community are prepared to give. [end recording]

The Australian Red Cross' Dr. Damien Wohlfahrt, who was aboard the Cosmaris, and the ship's crew have arrived safely in the capital of Solomon Islands, Honiara. The Australian High Commission in Solomon Islands has confirmed that Dr. Damien Wohlfahrt is safe. The Cosmaris had been carrying much needed medical supplies to the island when it was seized by the BRA almost three weeks ago.

Western Samoa

South Pacific Environment Group To Move to Apia

BK2801104492 Hong Kong AFP in English 0956 GMT 28 Jan 92

[Text] Noumea, Jan 28 (AFP)—The South Pacific Regional Environment Programme (SPREP) will be set up at its new headquarters in the Western Samoan capital of Apia within a few weeks, an official communique said here Tuesday.

SPREP director Vili Fuavao said in the statement that the programme's assistant director, New Zealander Donald Stewart, had been working in Apia since the beginning of the month.

The programme was under the auspices of the South Pacific Conference, headquartered in Noumea, until meetings here in July and in Tonga in October decided to make the SPREP independent and site it in Western Samoa.

The SPREP will be responsible for drawing up a five-year action plan for environmental protection from such hazards as rising sea-levels, dangerous waste dumping, marine pollution and damage to coral reefs.